Daily Report

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Yugoslavia

Croatia—President Franjo Tudjman has ordered the demobilization of 20,000 reserve forces of the Croatian Army at the request of the Croatian Government, Zagreb radio reports. The order will become effective "immediately."

TANJUG reports that Croatia is "stepping up the purchase of arms" to strengthen its air force and navy, "in an effort to fortify itself within its administrative borders." In an interview with POLITIKA EKSPRES, Croatian Air Force Brigadier Milan Macek states that Croatia "will soon get a number of modern jet fighters made in Western countries." The aritcle claims that Yugoslav People's Army pilots who have joined the Croatian forces are being trained in former East German bases on "MiGs which Germany won after the unification." POLITIKA EKSPRES also reports that a "parachute unit" is training in Hungary to engage in "assaults" on Serbian Krajina.

Interrepublic—Radovan Karadzic, Serbian Democratic Party of Bosnia-Hercegovina president, met secretly in the Austrian town of Graz today with an envoy of Croatian President Franjo Tudjman, TANJUG reports. According to "well-informed sources," the future of Bosnia-Hercegovina and the upcoming referendum were discussed. The meeting was held "behind tightly closed doors with the utmost secrecy" and "neither the Serbian security service nor the provincial police would confirm that the Graz meeting actually took place."

International—TANJUG quotes World Bank Vice President Ibrahim Shihata as saying that Yugoslavia will "remain the only legitimate member and partner of the World Bank" during his talks with SFRY Deputy Prime Minister Aleksandar Mitrovic in Belgrade today. Since Croatia and Slovenia have introduced their own currency the Yugoslav Federation will "guarantee the repayment of only those credits granted to the republics which have remained within the single monetary system."

Czechoslovakia

On the eve on FRG Chancellor Helmut Kohl's visit to Prague to sign the CSFR-FRG treaty on good-neighborly relations, various Czechoslovak leaders' comments are reported. In a statement to Vienna TV, Czech Prime Minister Petr Pithart said the "most controversial point" is the Sudeten Germans' "territorial claim." "Unfortunately, this problem is not dealt with in the treaty." Pithart is "annoyed" that Germany "seems to have reduced" the "constructive coexistence" with Czechoslovakia to "the issue of property and money," resulting in "a certain vulgarization of the subject." At a briefing to the Federal Assembly's Foreign Affairs Committee, CSTK reports that Foreign Minister Jiri Dienstbier defends the treaty as an "acceptable compromise" and points out that "little is being said in Czechoslovakia about the treaty's provisions for cooperation between the two countries." Doubts about the wording of "existing borders" instead of "state borders" are a "misunderstanding or demagoguery," according to Dienstbier. He also termed "allegations that the treaty allows Sudeten Germans to make claims on their property nationalized by Czechoslovakia after World War Two" as "utterly absurd." According to CSTK, Finance Minister Vaclav Klaus voiced his concern over the issue of Sudeten Germans' property and the use of the word "expulsion" when referring to the 2.5 million Germans from Czechoslovakia who were relocated after World War II. Klaus believes that the use of this word "could germinate certain legal claims" from Germany.

'Excerpts' of German-CSFR Treaty Published

LD2702111692 Berlin ADN in German 0917 GMT 27 Feb 92

["Excerpts of German-CSFR Treaty"—ADN headline]

[Text] Prague (ADN)—In the German-Czechoslovak treaty "on good neighborliness and friendly cooperation," the continuity of the Czechoslovak State from 1918 is stressed in the preamble, and the bilateral treaty of December 1973 is also reiterated invalidating the Munich Agreement from 1938. The following details are laid down in the 35 articles:

The partners to the treaty will shape their relations in the spirit of good-neighborliness and friendship. They will strive for comprehensive cooperation based on peace and partnership in all areas.

They will strive for the creation of a Europe in which human rights and basic freedoms and the principles of democracy and states based on the rule of law are respected, and in which borders lose their separating character due to mutual understanding and the elimination of economic and social differences.

The main aim of their politics is to preserve and secure peace and to effectively prevent armed conflict and war.

They afford a central place in their politics to humanity, its dignity, its rights, and concern for its survival, together with the conservation of the natural environment.

They afford respect to each other's sovereign equality, territorial integrity, to the inviolability of each other's borders, to each other's political independence, and to the principles of nonintervention in internal affairs and the prohibition of the threat or use of violence.

The parties to the treaty confirm the border existing between them. They reaffirm the fact that they maintain no territorial claims whatsoever with respect to each other, and that they will not raise any claims in the future.

They commit themselves to unrestricted respect for each other's sovereignty and territorial integrity.

They will conclude a treaty covering the determination, correction, measurement, and maintenance of the common border based on common cartographic documentation and covering the constitution of a permanent joint border commission.

The parties to the treaty will support the process of security and cooperation in Europe based on the Helsinki Final Act and the CSCE documents which followed, in particular the Paris Charter for a new Europe. Working together with all participating states they will further strengthen and develop this process, specifically through the use and appropriate expansion of the newly created structures.

The parties to the treaty will comprehensively promote strengthening security and setting up cooperative security structures for the whole of Europe. To this end they will support the establishment and activity of permanent institutions and bodies. In particular they will cooperate in supporting the new opportunities for joint efforts in the field of security.

The parties to the treaty support the reduction of arms and armed forces by binding and effectively verifiable agreements to as low a level as possible, sufficient for defense but not to facilitate attacks.

The Federal Republic of Germany will support the efforts of the Czechoslovak Federal Republic to bringing about the conditions needed to enable their full incorporation into the European Community.

The parties to the treaty will hold regular consultations at different levels in order to ensure further development and the broadening of bilateral relations and to coordinate their attitudes to international issues. Consultations at the head of government level will take place as often as required, but at least once a year.

The parties to the treaty will further develop their economic and financial cooperation in all spheres.

Corresponding to the principles of good-neighborliness they will endeavor to open and expand the greatest possible number of border crossings on the joint border for trains, road traffic, and pedestrians.

The members of the German minority in the Czechoslovak Federal Republic... have in particular the right to freely express, preserve, and further develop their ethnic, cultural, linguistic, and religious identity alone or in a community with other members of the group and have the right to be free from any attempts to assimilate them against their will.

The affiliation of the German minority to the Czechoslovak Federal Republic is a personal decision for each individual which will not disadvantage him or her.

The parties to the treaty will support all activities which contribute to a mutual understanding of German-Czechoslovak history, particularly of this century. This also includes the work of the joint commission of historians and the independent German-Czechoslovak school book conference.

The parties to the treaty declare that German and Czechoslovak graves on their territory will be respected and protected in the same manner. Their upkeep will be made possible.

This treaty is valid for a period of 10 years. It can be extended for five-year periods providing one of the parties to the treaty does not terminate it in writing in adherence with a time limit of one year before the expiry date of the respective period of validity.

Pithart Criticizes 'Bargaining for Property'

AU2702085992 Vienna ORF Television Network in German 2100 GMT 26 Feb 92

[Barbara Coudenhove-Kalergi report; Pithart remarks recorded]

[Text] [Coudenhove-Kalergi] In the past few days, Czech Prime Minister Pithart has been at the center of controversy regarding the neighborhood treaty with Germany. The most controversial point of the treaty is the territorial claim of the Sudeten Germans.

[Pithart] Unfortunately, this problem is not dealt with in the treaty. We would have preferred to finally close this chapter for good. Although we have not managed to do so, I see the treaty as something positive because it is oriented toward the future. If it is possible to fill the treaty with the adequate content, then this orientation will help us view this problem differently in two or five years.

[Coudenhove-Kalergi] In former years, Petr Pithart wrote a lot about the constructive coexistence between Czechs and Germans in central Europe.

[Pithart] This is why I am annoyed that the German side seems to have reduced the entire problem to the issue of property and money. I hope people excuse my way of putting it, but I must say that this is a certain vulgarization of the subject, of the problem of what we did to each other in the past few decades, and why we did it. This position has now taken the problem to a level at which it cannot be solved. After all, we also have to make claims, which will result in a never ending tug-of-war, with each side trying to get more out of the treaty than the other.

Under the impression of bargaining for property, the important and fundamental aspect is being ignored, namely taking a critical look at our joint and individual histories.

Dienstbier Defends Treaty Provisions

AU2702124392 Prague CSTK in English 2104 GMT 25 Feb 92

[Text] Prague Feb 25 (CSTK)—Czechoslovak Foreign Minister Jiri Dienstbier defended today the Czechoslovak-German treaty, saying it was an acceptable compromise between the two countries. Speaking before the Czech parliament's Foreign Affairs Committee, Dienstbier said: "Every treaty... is an agreement on what the two sides could agree to. To criticise the treaty because it is lacking something about which both sides could not agree seems to me ridiculous. This would mean we would be acting according to the principle "all or nothing", with the "all" being what I want".

Dienstbier said little is being said in Czechoslovakia about the treaty's provisions for cooperation between the two countries.

On the issue of the use of the words "existing borders" to refer to the Czechoslovak-German border, Dienstbier said both Czechoslovakia and Germany have asserted that neither has any territorial claims against the other. Some in Czechoslovakia have objected to the words, saying the treaty should instead refer to the two countries' "state borders". "All the statements being made which express doubt on the border (issue) are either a misunderstanding or demagoguery", he told the committee.

Dienstbier also responded to voices in Czechoslovakia that fault the treaty for not calling the 1938 Munich Agreement null and void from the moment of its signing. The treaty, signed between Germany, Great Britain, France, and Italy, allowed Hitler to annex Czechoslovakia's western border regions.

"Germany cannot agree to invalidate the Munich Agreement from the moment of its signing because this would complicate its citizenship law", Dienstbier said. "In this connection the international legal interpretation (of treaties) is in effect, that treaties made under coercion are invalid".

Dienstbier called "utterly absurd" allegations that the treaty allows Sudeten Germans to make claims on their property nationalised by Czechoslovakia after World War Two.

Klaus, Political Parties Comment

AU2702124592 Prague CSTK in English 1847 GMT 25 Feb 92

[Text] Prague Feb 25 (CSTK)—The path to approval by the Czechoslovak parliament of the Czechoslovak-German friendship treaty, expected to be signed here Thursday [27 January] by Czechoslovak President Vaclav Havel and German Chancellor Helmut Kohl, is likely to be slow and tortuous. CSTK asked representatives of a number of political parties to comment on what position their parties will take in parliamentary debates on the treaty.

"We are now signing a treaty which leaves unresolved the most dangerous issues, such as the issue of the Sudeten Germans' property", said Vaclav Klaus, chairman of the Civic Democratic Party (ODS) and federal finance minister. Klaus also expressed concern over the word "expulsion", used in the treaty in reference to the relocation of 2.5 million Germans from Czechoslovakia after World War Two. "This could be a friendly gesture offering (Germany) certain moral satisfaction for the severity of this process carried out after the war, but only if it is part of a definitive break with the past", Klaus said. "However, the context in which this word is used in the treaty could germinate certain legal claims (by Germany) in the future", he added.

Deputy Pavel Dostal from the Czechoslovak Social Democratic Party (CSSD) said that the treaty needs to be clarified by parliament before the CSSD will support it.

"(Czechoslovakia and Germany) understand in different ways certain formulations in the treaty, such as "expulsion"... and the idea of state borders". Some in Czechoslovakia have voiced opposition to the words "existing borders" in the treaty to refer to the Czechoslovak-German border.

Chief secretary of the Christian Democratic Party (KDS) Tomas Svoboda said the KDS supports the treaty in its present wording. "The treaty does not resolve the issue of guilt or of past injustices, but this is not surprising because the societies of Czechoslovakia and especially of Germany are not yet ready for this", he said.

Chairman of the Civic Democratic Alliance (ODA) Pavel Bratinka said that though his party disagreed with elements of the treaty's wording, the ODA would support its ratification in parliament. "We feel that the guarantees of Czechoslovakia's security do not depend on words on paper anyway, but on the institutions which unite Europe and on our membership in them", Bratinka told CSTK. "And our entry into Europe will be made easier by this treaty".

General secretary of the Czechoslovak People's Party (CSL) Pavel Sustr said: "It is in the interest of both countries to approve the treaty because it entails a greater step towards strengthening and clarifying relations between Germany and Czechoslovakia than does the treaty of the early 1970's".

KDH Polarization Confirmed, Split Avoided

AU2602100992 Bratislava SLOVENSKY DENNIK in Slovak 24 Feb 92 pp 1, 2

[Anton Balaz report: "Treaty—But One That Is Clearly Legally Binding; The Vranov Meeting of the KDH Council Confirms: The Movement Remains United"]

[Text] Vranov nad Toplou— The Christian Democratic Movement [KDH] Council held its regular meeting on Saturday, 22 February in the architecturally well-planned and hospitable city of Vranov nad Toplou in East Slovakia. It was the first meeting of the KDH Council held outside Bratislava and the city officials described it as "an event that will go down in the history of Vranov." The meeting, at which the KDH was to assume its official stand on the Milovy treaty and to candidly discuss disagreements within the movement, attracted the whole republic's unprecedented attention. This was borne out by the participation of more than 20 reporters from all leading Slovak and Czech dailies and by the presence of radio and television crews, all of whom set out on the long journey to the east despite the fact that the meeting was held in camera.

The proceedings were opened by Engineer Figel, chairman of the Vranov KDH District Coordinating Center, and chaired, late into the night, by Jozef Martiniak and Gabriel Smeringai, members of the KDH Council Presidium. KDH Chairman Jan Carnogursky, Executive Deputy Chairman Jan Petrik, Central Secretary Jozef Kuzma, 104 members of the KDH Council, as well as the majority of KDH deputies to the Federal Assembly and the Slovak National Council and of KDH members of the Slovak Republic Government attended the meeting. Following a vote, the originally proposed agenda was narrowed down, essentially, to a single item—the constitutional setup. The opening statements were delivered by Jan Carnogursky and Jan Klepac. They were followed by a 10-hour marathon (punctuated by inevitable breaks) of statements, factual remarks, and spontaneous responses, in which the great majority of KDH Council members, most KDH deputies, and all KDH ministers present took the floor.

At the beginning of his statement, KDH Chairman Jan Carnogursky stated that two currents have been in existence within the KDH from its very inception. At times, they proceed in parallel, at others, they clash. Unofficially, they have been labeled as the national current and the moderate current. In his own opinion, however, it would also be possible to label them as the line of gradual steps and the line of a chance that will not come back. Two thus defined currents have accompanied Slovak history since the times of [the leading figure of the 19th century Slovak "national awakening" movement Ludovit] Stur—there have been brief spells of ferment, followed by long periods of stagnation. The line of gradual gathering of momentum, the line of gradual steps has proven to be the historically productive one. If Slovakia became independent today, it would not meet with understanding for its step. In other words, this is not only a question of choice but also a question of the realm in which we would take this step.

Jan Carnogursky went on to discuss the problem of the treaty on the constitutional setup itself, as well as the situation that has arisen since the Slovak National Council Presidium session [of 12 February that failed to approve the Milovy draft]. He reiterated his own position (with which the entire public was able to familiarize itself, most recently in his [20 February] television address) and drew the attention of the KDH Council members to one fact that escaped our attention in the exciting atmosphere of the last few days—the statement of the Czech National Council Presidium of 13 February on the outcome of the Milovy talks. In this statement, the Czech National Council Presidium points out, among other things, that it regards the Milovy draft only as a "basic point of departure for talks between the national council Presidiums on the final wording of this treaty" and that it is ready to bring the talks to an end. This statement could provide a way out of the situation that has come about.

Since the Czech side does not consider the Milovy text to be final, it is necessary to carry on the talks between the Presidiums. In these talks, the KDH members of the Slovak National Council Presidium [who voted against the draft on 12 February] could assert their objections to, and comment on, the preamble and individual articles of the treaty. The KDH Council therefore should not deal

with the issue of how our deputies will vote in the Slovak National Council, but it should recommend to them that they take part in the discussion in the Slovak National Council plenum in the spirit of the confirmation of our line of constructive steps that will not jeopardize Slovakia's security and stability and that they express their interest in continued coexistence with Czechs in a common state.

Slovak National Council Deputy Chairman Jan Klepac, too, opened his statement with a brief (but not self-serving) excursion into history. He spoke about the four attempts made thus far to arrange our relations with the Czech nation on the basis of equal rights, three of which failed through the fault of the Czech side (the [1918] Pittsburgh Agreement, the [1945] Kosice Government Program, and the Law on the Czechoslovak Federation of 1968). The fourth attempt resulted in the draft treaty of Milovy. Jan Klepac went on to recapitulate the steps taken by the KDH in the sphere of the constitutional arrangement, starting with the proposal for a pure Slovak constitution up to the proposal for a state treaty between two national states. He said that, under pressure from the Czech side and in the interest of coming to an agreement, the KDH has been retreating. It made its latest concession at Milovy, in defiance of the fact that, as recently as January, the KDH Council ruled that the participants of the treaty must be the republics. The space that we have vacated has been filled by others, especially by the opposition. Characterizing the strategy of the Czech side, Jan Klepac said that it does not want Slovakia to become visible and a subject.

Jan Klepac then spoke in detail about the draft treaty of Milovy. He said that the draft is half baked and does not tackle the main problems, which is why he voted against the draft in the Slovak National Council Presidium. He summed up his main objections to the most controversial point of the draft as follows: "The people of the republic is not a legal term, but a general term, the people cannot be a legal subject. If someone claims that it does not matter that the draft does not expressly state that the treaty is being concluded between the republics because this is implied in the text, because it somehow naturally follows from the context, I claim that it does matter. If this is implied in the text, then let us write it into it and the discussion can be over today."

The 10-hour debate that followed the opening speeches proceeded in the already indicated direction. The question was whether to accept or not to accept the Milovy treaty. Speakers and positions alternated, references to the election program and to individual resolutions of the KDH Council were used as arguments, calls for prudence and discipline were made, a solution was being sought in the approval of a Slovak Republic constitution and the subsequent formulation of a referendum question. Ivan Carnogursky and Ivan Simko, direct participants in the Milovy talks, also spoke in the debate. Slovak National Council First Deputy Chairman Ivan Carnogursky said that a hysterical carousel has been set in motion in Slovakia in connection with the treaty and that the opposition called the treaty a scrap of people before it could even study its text. He pointed out that the final stage of drafting the treaty was attended by 10 Slovak representatives, most of them from the ranks of the opposition, who, with the exception of the Slovak National Party, did not reject the treaty off hand. He voiced the conviction that even this text makes it possible to move the solution of the constitutional setup ahead and proposed that a group be set up that would once again consider the disputed formulations.

Ivan Simko voiced the opinion that the treaty is primarily a political issue and only secondarily a legal issue. He said that there are two dominant political forces on the Czechoslovak political scene—the Civic Democratic Party, which seeks the implementation of the economic reform, and the KDH, which seeks the Czech-Slovak settlement on the legal principle of a treaty. The opposition is logically trying to prevent both from reaching their aims. He said that attacks on the treaty are being waged without knowledge of facts and that some legal aspects of the Milovy treaty are a compromise so that the Czech side, which was opposed to the treaty from the start as a matter of principle, does not lose face.

KDH deputies also delivered their opinions, and so did KDH ministers, who were particularly critical of those parts of the treaty that concern the division of powers. Slovak Ministers V. Oberhauser, J. Krsek, and J. Belcak spoke about their experience with participation in the coalition government. They said that the current division of powers creates confusion, tension, and confrontational clashes with representatives of the federal government and cited the Transgas and Transpetrol companies and the federal agrarian policy as examples. Slovak Interior Minister L. Pittner, who attended the meeting as a guest, spoke about complications in protecting the borders, where the text of the treaty is not clear, about the concept of the state's security policy, and about the police corps being currently the only armed force that is at the disposal of the Slovak Government.

The KDH Council meeting also discussed the internal situation in the movement. Questions to this effect were put to Jan Carnogursky and Jan Klepac at short briefings. The reporters were apparently surprised by Jan Klepac's statement that he does not expect the movement to split before the elections and that he sees no reason for a split after the elections either because everyone is united by the Christian idea as well as by the endeavor to find Slovakia a more adequate place in the community of European states. Asked about the correlation of forces between supporters and opponents of the treaty, he said that the ratio was approximately one to one.

In its final vote, the KDH Council assumed neither a positive nor a negative stand on the draft treaty of Milovy but more than two-thirds of the KDH Council members present (76) were in favor of continuing talks with the Czech representation. At the same time, the KDH Council authorized the KDH Council Presidium

to formulate additional changes to the draft treaty, especially regarding the clear expression of the treaty's binding nature and the identification of its participants. In the adopted resolution (which we publish separately), the KDH Council laid down the main political intentions that should be enforced in these negotiations.

At the recommendation of one of its members, the KDH Council took a vote of confidence in the movement's chairman, in which Jan Carnogursky gained the almost total confidence of the KDH Council members present. In the difficult preelection period ahead, this could be regarded as not merely a symbolic expression of support for his tactics of gradual and constitutional steps in enforcing the interests of Slovakia on the domestic and European political scene.

KDH Seeks Draft Treaty Modifications

AU2602103392 Bratislava SLOVENSKY DENNIK in Slovak 24 Feb 92 p 2

["From the Resolution of the Christian Democratic Movement Council," adopted at a meeting of the Christian Democratic Movement Council at Vranov nad Toplou on 22 February]

[Text] In harmony with the approved program of the Christian Democratic Movement [KDH], at its meeting in Vranov the KDH Council adopted the following conclusions:

Concerning the domestic political situation in Slovakia:

1. The KDH Council recommends to the KDH deputies in the Slovak National Council to seek the continuation of talks with the Czech National Council on the conclusion of a treaty between the two republics and to demand the following modifications of the text of the draft treaty:

—to clearly express that the Slovak Republic and the Czech Republic are the subjects that conclude the treaty,

—to clearly express the legally binding nature of the treaty,

—to reformulate Article 9 of the draft treaty as follows: The economy of the common state is represented by an economic whole based on a common internal market, a common customs territory, a common currency, on the free movement of cash and capital, labor, goods, and services, on the observance of adopted international treaties, and on a common legal codification of ownership.

—to deal with the protection of state borders according to an agreement among the three ministers of interior,

—the Council authorizes the KDH Council Presidium to formulate additional modifications of the draft treaty, if and where appropriate,

—the Council demands that these talks be completed by 31 March 1992.

2. The KDH Council expresses confidence in KDH Chairman Dr. Jan Carnogursky.

Concerning the item preparation of the election campaign, the KDH Council takes note of Engineer Anton Andras' report on the preparation of the election campaign and the lists of candidates.

Dienstbier Outlines OH Policy, Philosophy

AU2602135692 Prague HOSPODARSKE NOVINY in Czech 24 Feb 92 p 9

[Interview with Jiri Dienstbier, CSFR foreign minister and chairman of the Civic Movement, by Jana Havligerova; place and date not given: "A Sensible, Decent, and Tolerant Democratic Policy"]

[Text] [Havligerova] Throughout your term in office, you have consistently insisted on public discussion and on the formulation of laws and regulations that guarantee constitutionality and human rights. However, it seems that your very willingness to hold discussions with everyone is the reason why many people (including some Civic Movement [OH] members) describe OH policy as inconsistent and hesitant.

[Dienstbier] Yes, people talk about the Civic Movement's "ambiguity." The communists and the Sladekites [Republicans] are clear-cut. The social democrats are trying to be clear-cut by placing emphasis on social aspects—going as far as adopting cheap stances—such as, for instance, their support for the public transportation workers' strike. The Civic Democratic Party [ODS] is clear-cut. It describes itself as a right-wing and market economy-oriented party.

However, we require a modern policy that recognizes of the mutual ties among all aspects of human life and activity. All simplifications and all attempts at reducing social processes to a single perspective have always come unstuck. The previous regime talked constantly about social certainties. Capitalism based on an uncontrolled market culminated in economic crisis in the United States during the 1930's. West Europe's success after World War II is founded on the realization that no aspect of life can be dismissed. Education, culture, social justice, clean air, or health care are not the icing on the cake.

Benedetto Croce, one of the greatest liberal philosophers, pointed out as early as the 1920's that liberalism is not the same as economic liberalism and that the criterion for each reform is its ability to enhance life and liberty.

The philosophy of our right wing, incidentally, reveals that it too is burdened by the culture and thinking of the previous regime as it only recognizes economic elements. Allow me to quote from Croce, a quote that fits extremely well here: "It considers the economic factor to be the basis and foundation for all the other viable structures, structures that are derivations, semblances, or manifestations emanating from this single given fact.

However, if we separate economic activity from the living spiritual system where it evolves out of the other spiritual activities and attaches itself to them like one of them and isolate it from this system and turn it into a foundation stone, its substance will change and no morality, philosophy, or even the economy itself, which requires vital warmth, sharp intelligence, and enthusiasm, will be able to grow and mature on its parched soil." Of course, Croce wrote this as part of his analysis of communist philosophy. He wrote this even before communism was given an opportunity to implement its ideas.

[Havligerova] Nevertheless, you cannot deny that the movement has a certain "dual track policy." Although the OH has a majority in both the Federal and Czech Governments, you recently formulated your own opposition economic program. Similarly, you have now revived the issue of autonomy for Moravia and Silesia.

[Dienstbier] We have not formulated any opposition program. Economic transformation is a government program that we adopted together as the Civic Forum. Incidentally, this is not a special political program, but is simply a necessary and logical return to the normal rules for a functioning economy after 40 years of social experimentation. Transformation is not made up of principles and new ideology. It is an everyday quest under constantly developing conditions—a quest undertaken without experience and without a prototype. The task we are dealing with in today's postcommunist world has never been dealt with by anyone before. The OH's economic program endeavors to concretize economic policy. Some of its principles are already being implemented, for example, writing off enterprises' debts.

Stalinism constructed massive and inefficient production lines that cannot survive under normal conditions. Hundreds of thousands of well-qualified and hard-working people are employed in them. The issue does not involve subsidies that would maintain outdated production. However, a modern democratic state must create conditions to ensure that these people and these enterprises have a chance. For example, support for small and medium-sized businesses, requalification programs, assistance in finding markets, a well-considered structural and pro-export policy, and so on.

In addition, we are not transforming society so that one privilege is replaced by another. Everyone has to be given an opportunity in the transformation process. Of course, it is up to each individual how he utilizes his opportunity. If he wants to be a bum, he has the right to do so. Naturally, he cannot expect the state to guarantee him the standard of living that a successful businessman working 20 or more hours a day, including Saturday and Sunday, guarantees for himself.

Every day brings something new. For instance, the issue now is to make sure that coupons are a creative element in speeding up privatization and do not lead to a new power monopoly or even to a Watergate. It is apparent that some state officials with access to information on privatization are not flinching from becoming members of various administrative boards where they can use this information to enrich themselves because we do not yet have the appropriate laws (In the United States sentences of many years imprisonment are handed down for such things.) This is not illegal here. However, it is immoral. Therefore, the Civic Movement is also pushing for the establishment of a law governed state. Of course, this is less televisual than demonstrations or tough guy manifestations.

I do not know what you mean by dual track policy in the issue of Moravia and Silesia. As far as we are concerned, the citizens' points of view and the principle of autonomy are the most important thing. In short, some parties acknowledge a cause, either out of principle or according to their calculations, that will bring them more votes. We proceed from the premise that the views of Moravians and Silesians differ, often strikingly. I also have a personal opinion on what would be best. I would be in favor of a union [spolkovy] or canton arrangement for the whole of Czechoslovakia. This would best suit the principle of autonomy, would minimize state power, and, at the same time, would create the best conditions for a joint government and parliament and ensure that they function as effectively as possible within the framework of their precisely specified jurisdiction. Obviously, this is how it will be in the united Europe of the future. However, at the moment, this is not feasible in our country for various reasons.

[Havligerova] The current political scene is beginning to acquire a significant profile. Coalitions are being formed, nonaggression pacts are being concluded, and it is gradually becoming apparent who is who. You are not in too much of a hurry to lay your cards on the table.

[Dienstbier] I have already spoken about our profile. So far, we have mainly been working [in the governments and parliaments] and that is the basis of policy. We have consistently been a state forming force in the sense that we have fulfilled the Civic Forum's program, the program with which we were elected. In fact, we are the only consistent state forming force both in the governments and the parliaments. Thus it has turned out that people are more aware of us in our ministerial functions than as representatives of a specific political line. Tomas Sokol, Lubos Dobrovsky, Jozef Vavrousek, and many others are OH representatives, even though they are better recognized as specialists in their posts. We do not need any slogans and we do not need any left- or right-wing mythology. We need the specific pragmatic policy that is transforming society.

[Havligerova] Nevertheless, people are still talking about the left and the right. Former '68ers [reform communists] make up the leading group within the OH. Evidently, this reinforces the claims of those who regard the OH as a left-wing movement that evolved from the Civic Forum's collapse.

[Dienstbier] First, there are as many former Communist Party of Czechoslovakia members in the Civic Movement's leadership as there are in other parties. There is no difference at all here. If the term '68ers implies political representatives from 1968, then I say absolutely unequivocally that there are none in the OH leadership. Even if there were, what political representatives did under the given circumstances at that time may have been naive, but it does not mean that this was not a significant phase in the endeavor to get rid of the totalitarian regime.

As far as the left and right are concerned, we are convinced that if an oversimplified polarization into left-wing and right-wing is inferred, it will lead to an extremely dirty election campaign. It is interesting that even the right-wing talks about the other side of the barricade—the kind of doctrine taught in communist schools—while a Federal Assembly deputy representing the ODS declares that the victorious party will determine the law. This is taking Marx to absurdity. He said that the law is an expression of the will of the ruling class and not of any party.

Either such a conflict will take place or—in opposition to all extremes—a liberal, democratic, tolerant, and matter-of-fact policy that does not strive for the parties' priority interests, but strives for the whole of society's priority interests will be asserted. However, I do not want to say that only the OH has such a policy. Nevertheless, the successful assertion of these principles will also help realistic forces in right- and left-wing parties and will make sure that they get to the top and that they decide their parties' policy. If there is a "big bang," then extremists will get to the top on the right and the left. These are the kind of people who are not too bothered about right and wrong and who again want to implement revolutionary will more than they want to establish a law governed state.

[Havligerova] You are chairman of the Civic Movement and head of our diplomatic corps. Is this an advantage or disadvantage?

[Dienstbier] From the point of view of diplomacy, it is a disadvantage. Certain attacks are being made on foreign policy (in my opinion, it should be completely impartial) simply because I am the OH chairman. This makes it more demanding, one is confronted with all sorts of pressures and attacks. Attacks are made on foreign policy through me, but I can again confirm that, even under these circumstances, we are concerned about a policy for everyone and not just about narrow party interests. For example, in foreign policy I could, purely out of party interests, sweep under the carpet issues that may arouse doubts and tension among part of the public. The fact that I am not doing this and am continuing with the kind of foreign policy I am convinced is correct and is for everyone, speaks for itself.

[Havligerova] You were made a knight of the Copray Society for your contribution to liberalism. Hans-Dietrich Genscher considers you to be an outstanding member of the European movement for freedom and a fellow pioneer of the new federative Europe. That is, you are personally more successful as foreign minister than as chairman of the OH, which, according to public opinion polls, constantly hovers on the verge of the five percent clause that determines entry into parliament. Have you considered campaigning as an independent?

[Dienstbier] I have never considered this. In order to be able to formulate a particular policy, I need to have a background. I cannot be a solitary individual, a foreign minister who formulates policy that absolutely no one supports. Of course, the entire government should support foreign policy and parliament should also support it. However, it is no coincidence that foreign ministers are mostly liberals. Regardless of the fact that they belong to all sorts of different parties, they represent one of the most liberal poles in them. Zealous and extreme points of view are not compatible with this profession. If they are, then only in zealous and extreme countries. This cannot be the case in civilized democratic countries.

Moreover, I do not think the OH is unsuccessful. Look at what its representatives have done in their government and parliamentary posts. Either we will be able to explain this to the voters and put it in such a way that they recognize and understand what we have done, or not.

I also have to say that our percentage in the opinion polls does not, at the moment, bother me. It would bother me a week before the elections. Everything still has to be played for. However, the issue is whether oversimplified principles will be asserted or whether we will manage to assert an awareness of the complex nature of transformation in contradiction to all the simplifications—social, market economy, or any other simplifications. Social issues and the market economy seem like the antithesis of each other. However, one cannot exist without the other and both of them cannot exist without education, without culture, and without respect for the environment. Depending on how we assert this awareness, we will either gain the percentage of votes necessary for entry into parliament, or we will not.

I am convinced that we have one of the best educated electorates, not only in Central and Eastern Europe, but even among those countries that are far more advanced. We do not yet have top people, or we have very few of them, but our background is such that they can come to the fore relatively quickly and in all spheres. I am convinced that the voters will decide in favor of a sensible, decent, and tolerant democratic policy.

No New Nuclear Plants Planned in Czech Republic

AU2602141892 Prague CSTK in English 1917 GMT 24 Feb 92

[Text] Prague Feb 24 (CSTK)—Czech Environment Minister Ivan Dejmal today said the Czech Government does not intend to build any nuclear power plants in the Czech Republic in the next ten years. Dejmal said at a briefing that construction of any further nuclear power plants would have to be decided by the parliament or in a referendum. There are two nuclear power plants in the Czech Republic, one at Dukovany, south Moravia, and one under construction at Temelin, south Bohemia.

Referring to talks currently being held with the German company Siemens on building a nuclear heating plant for the industrial city of Plzen, west Bohemia, Dejmal said "Siemens offers heating plant equipment which has not been tested and is not permitted in Germany either".

Czechoslovak Decision on Dam Project Needed

LD2602160492 Budapest MTI in English 1352 GMT 26 Feb 92

[Text] Budapest, February 26 (MTI)—Hungary can wait no longer than a month for Czechoslovakia to decide whether it will suspend work on changing the River Danube's course. Should Czechoslovakia refuse to do so, Hungary will unilaterally terminate the 1977 interstate agreement on the Gabcikovo-Nagymaros hydro-electric system, said Hungarian Minister without portfolio Ferenc Madl, the government commissioner in charge of the issue, today.

If Czechoslovakia agreed to suspend the construction, Czechoslovak, Hungarian and independent officials could start an investigation to assess ecological dangers and possible solutions, Madl said relating his own views at an international press conference. Madl regretted that Czechoslovakia is making great efforts to put the dam system into operation unilaterally, with the help of Austrian companies. "Czechoslovakia could still suspend the construction if it really wanted to," Madl said.

If Czechoslovakia agrees to suspend the work, the investigating committee will be able to examine the feasibility of various solutions beyond that of the construction's total suspension and the area's restoration. If the investigators find the facilities can be utilized in some way without posing ecological dangers, Hungary will have to consider the possibility. According to Madl, however, Hungarian analysis has proved the dam's operation would pose grave ecological dangers, especially for freshwater supplies. "No one has the right to damage freshwater supplies irreversibly," he said.

Preparations for changing the course of the Danube are unlawful. Changing a border river's course for 50-60 kms (about 25-30 miles) long jeopardizes the security of the whole region. Hungary will apply to all possible international forums, and if Czechoslovakia refuses to suspend the work for the period of the joint investigation, Hungary will terminate the 1977 agreement, Madl said.

MDF Faction Leader Views Organizational Tasks

AU2602104992 Budapest NEPSZABADSAG in Hungarian 24 Feb 92 pp 1,4

[Interview with Pal Becker, newly elected leader of the MDF parliamentary faction, by Jozsef Szabo Bartha; place and date not given: "Doing Things on One's Own Should Be Banned"]

[Excerpt] In line its Presidium's proposal, the parliamentary faction of the Hungarian Democratic Forum [MDF] has elected Pal Becker to the position of faction leader. After the election, we asked the 33-year-old economist to grant us an interview.

[Bartha] What will your job be?

[Becker] To organize our faction's day-to-day life.

[Bartha] Does this mean that you will supply a typewriter to your fellow deputy who needs one?

[Becker] Although I will be in charge of supplies, I will not be an accountant, economic director, or in charge of finances. Andras Salamin will continue to be in charge of all these tasks. However, I will decide on the ways and extent of distribution. However, this is not what I would like to deal with really.

[Bartha] What then?

[Becker] Organizing the activity of this group of deputies.

[Bartha] What does that mean in practice?

[Becker] It is very important to make sure that our faction is not the last to join the legislative process, as it has done so far, but not entirely of its own will. We intend to join the process immediately after a ministerial official comes up with the idea that there should be legislation on a given subject.

[Bartha] What will the omnipotent ministries say to this?

[Becker] They will be forced to acknowledge the fact that legislation is within the jurisdiction of the parliament, and not the ministries. The faction will no longer automatically vote in favor of putting a ministerial proposal on the agenda, if no preliminary coordination takes place.

[Bartha] All this could heal old deputy grievances....

[Becker] All this will definitely heal such grievances. I will set up a small working group of experts from within our faction for every subject. These people will synthesize incoming opinions and proposals, and they will develop a concept that I will then no longer be willing to discuss with the faction. This is a basic principle, because I am convinced that the entire faction of 160 deputies is not suited to such debate. Anyone who has something to say or to propose should come to the working group, work, and express his opinion there where there is a possibility for creative debate, and should refrain from coming up with such proposals at the faction meeting or even later, in the parliament. [passage omitted]

Lack of Funds Causes Grain Production Problems

LD2402190492 Budapest Kossuth Radio Network in Hungarian 1100 GMT 24 Feb 92

[Report by Edit Schrantz on 24 February session of the National Board of Grain Producers—recorded]

[Text] Without central support there is no chance of easing the payment problems of the agricultural sector. The agricultural cooperatives do not even have the money to enable them to begin the spring jobs.

[Istvan Toth, chief advisor to National Association of Agricultural Producers,] They have been unable to purchase the artificial fertilisers, they are unable to purchase

the seeds, and they cannot proceed with any more sowing operations because without money they cannot get fuel, seed, artificial fertiliser, or insecticides.

[Schrantz] According to Istvan Toth, considerably less grain will be produced this year because of the lack of money.

[Toth] Whereas last year 15 million tonnes of grain were produced, this year, on account of the area sown and also on account of quality, we will be lucky if we produce around 12-13 million tonnes.

[Schrantz] Precisely because of this, at today's session of the National Board of Grain Producers it was proposed that because 10 million forints will be needed to begin the spring jobs, with a 10 percent interest discount, the state should give the banks guarantees for the loans. The commercial banks, on the other hand, are asking for a fairly high guarantee, 70 percent, for the loans. At the same time, it also figures in the loan agreements that the producer should first conclude an agreement with the purchaser. And this is the catch, says Istvan Toth.

[Toth] What the producers see is that some of the purchasers do not conclude agreements with them because they are also in an uncertain financial and economic situation. And the other thing is that the producers do not conclude an agreement in every case with the processor or potential processor, because they see the partner's liquidity situation to be such that although they conclude the agreement they are unable to get money for their given product.

[Schrantz] In the hope of getting money quickly, the agricultural producers also recommend that the state should immediately purchase between 200,000 and 400,000 tonnes of corn and the producers would also see it as a solution if the state were to suspend the repayment of debts. The government's standpoint on this is not yet known. It is a fact, however, that because of the lack of funds, in County Szolnok alone losses of 1.5 billiob forints can be shown to have occurred because of the loss of crop land and thus the smaller grain production.

Economic Performance Figures for 1991 Published

AU2402161092 Budapest MAGYAR NEMZET in Hungarian 21 Feb 92 p 9

["H.L.I." report: "Central Statistical Office Report on 1991—The Economy's Performance Decreased"]

[Excerpts] The report summarizing the main economic and social characteristics of 1991 was completed by the Central Statistical Office [KSH], Gyorgy Vukovich, chairman of the KSH, announced at a news conference on 20 February. In his introduction, he said that the KSH's information policy has changed fundamentally because the available data would be published immediately and would be accessible to everyone. [passage omitted]

The number of participants in the market has increased considerably and their composition has changed. Almost half the state enterprises have completed or started their transformation into corporations. The number of economic units having a legal entity is over 52,000; most of them—41,000—are limited liability companies and the number of stock corporations is barely over one thousand. The number of economic and personal enterprises without a legal entity can be estimated at some half a million, and every third one of these started operation in 1991. However, statistics also show that many enterprises—limited liability companies—do not perform any productive or service activities, in spite of being registered.

In addition to state and cooperative ownership, domestic and foreign private capital has played an increasing role. In 1990, some 5,693 foreign-owned enterprises operated in Hungary, but this figure was as high as 10,335 at the end of 1991. The foreign partners' share in the foundation capital of joint ventures is increasing. In fact, the number of fully foreign-owned organizations increased considerably in 1991.

Particularly in agriculture and construction industry, the number of loss-making units continued to increase in 1991, as did the number of bankrupt enterprises. The lack of financial balance was concentrated in the budget, which, according to preliminary figures, had a 114 million-forint deficit.

As opposed to real processes, the year 1991 can be seen as successful in the area of international finance. According to the Hungarian National Bank's preliminary figures, the current payment balance will again be positive and the country's net debt will decrease as a result of the considerable increase of foreign currency reserves.

Basically all foreign trade was conducted in convertible currencies in 1991. The country's imports amounted to $11.7 billion, exports were $10.2 billion, and the deficit in foreign trade was mainly due to the loss of the eastern markets.

Talking about the economy's expected performance in 1992, the chairman of the KSH said that producers expected a modest expansion of production in industry and in construction. The same cannot be expected in agriculture, among other things, for the reason that livestock has decreased, as has the area for sowing autumn grain. It is possible that foreign trade results will improve because the change of markets has virtually been completed and we do not need to expect any more negative effects resulting from this. [passage omitted]

Walesa Queries Deputy Defense Minister Appointment

LD2602171192 Warsaw Radio Warszawa Network in Polish 1603 GMT 26 Feb 92

[Text] President Lech Walesa has told journalists at the Sejm building that he must quickly speak with the prime minister about the nomination of Radoslaw Sikorski to the post of deputy minister of national defense. Pointing out that nominations of deputy ministers are not in his remit, the president expressed doubts whether a British citizen can be an undersecretary of state in the Ministry of National Defense. I will be speaking on this subject with the prime minister very shortly, because I am beginning to be unable to understand this, Lech Walesa added.

Olszewski Addresses Sejm on 1992 Policies, Duties

LD2602145992 Warsaw Radio Warszawa Network in Polish 0835 GMT 26 Feb 92

[Speech by Polish Prime Minister Jan Olszewksi to the Sejm in Warsaw—live]

[Text] Mr. Speaker, may it please the House. Several days ago, exactly two months have passed since this government took up its duties. During these two months, in accordance with the obligation we undertook, we prepared a report on the situation in Poland at the turn of 1991 and 1992. Today we are submitting for the consideration of the esteemeed court, the esteemed House—I am sorry, a professional habit—assumptions for the social and economic policy for the year 1992.

May it please the House, we believed our first duty was to prepare some kind of inventory to define the legacy we inherited when we assumed our duties. The two former governments performing their duties in what was already a democratic Poland, or rather a Poland undergoing democratic changes, had not prepared such a inventory. I think this was bad. Today, after two years, two and a half years, it is very difficult to separate, in social conscience especially, the results of 44 years of lunatic communist economy from the mistakes and neglect made during the systemic transformation.

Mistakes and neglect which I must admit sometimes are difficult to avoid. I am convinced that if such an inventory was prepared at that time, the state of social awareness today would also be different. Whatever we may say about what was happening in the period of the two and a half years, we must realize that fundamental difficulties, fundamental problems simply follow from what we have inherited from the communist governments.

May it please the House, as the process of systemic changes began, when we announced the transition from the totalitarian system to democracy and the free market, it all happened in an atmosphere of great optimism and enthusiasm. Then, a theory was created that such a transition could be made in just one great leap. It was supported by more than the social elites. It enjoyed the support of a great majority of society.

We tried to perform this great leap, although we must admit that people with more pragmatic views warned about its results. But in the first phase of its implementation it did, after all, bring visible success. It has stabilized the economy. It has been a restraining force in curbing super inflation. It ensured the internal convertibility of the zloty. The longer-term consequences of this theory came to light only later.

The conviction was alive at the time that all would be taken care of by the invisible hand of the free market, which, of course, did not exist in Poland; that creative destruction applied to the state sector would, by itself, bring about a flowering of private initiative. These assumptions turned out to be deceptive. Creative destruction has brought in its wake results which are only now to be seen, the fruit of which we are harvesting only now, the fruit of which is the question addressed to me today on the subject of Poland. This is just a small fragment of a larger phenomenon which is currently oppressing our economy. This invisible hand of the market very often, unfortunately, proved to be the hand of a speculator, reaching into the coffers of the treasury to take state money.

It was possible to be mistaken in 1990. In 1991, to support this same line consistently must close your eyes to very many things.

You would also need a lot of strong willpower not to see these things. But in 1992 the proclamation of the policy of continuation would not only be a mistake. This, gentlemen, would be sheer madness [applause]. I may be contrasting these assessments too much, but I am doing this because an attempt we have undertaken to correct this direction—an attempt I think is necessary, an attempt contained in the document submitted to the steemed House—this attempt, I stress again, this attempt made with a maximum effort to guard all the achievements which should be preserved, this attempt met with hostility as soon as we mentioned it, when even opponents could not have known the contents of our proposals. [Word indistinct] assumptions of social and economic policy were submitted to the Sejm [words indistinct] published in press reports there appeared assessments that it was a populist program, that authors of this program are advocating, demanding, the printing of money without backing, and even, which I do not fully understand, that it was, as stated in a report of one agency, a nationalistic program.

At this point I must strongly emphasize that the authors of this program as well as the government which authorizes it have always stood, are standing and will stand for the continuation of the reform processes aimed at the construction of a free market in Poland and the construction in Poland of a democratic system using the shortest possible route, possibly the one which is most secure.

I stress these two matters because they are inseparably linked to each other. Anyone who imagines we can build

a free market, a free market economy, while renouncing democracy is grieviously mistaken. [applause]

Examples exisit from a time not that far removed from the present, of such a free economy, such an economic success built in countries with authoritarian regimes. But, in every circumstance we must, after all, consider the cultural conditions. Those to whom such a road appears to be an efficacious road, a shortcut, must be reminded that Poland lies neither in Southeast Asia nor in South or Central America. Poland is an European country. It has its own traditions, its own cultural peculiarities. Above all else, Poland is part of Europe.

In our program a fundamental element is the fact, the intention, that Poland should join, in as few years as possible, the European Community. A country in which democracy fails will not join that Community.

May it please the House! The program which is now being set out before the House will be implemented in very difficult conditions. The economic realities are what they are. I will not describe them here. I will not present them in broader outlines. We all know them quite well. Our room for maneuver is restricted. On one hand, ever larger parts of the national economy are touched by necrosis. On the other hand, there is the threat of the return of super inflation. Between these two dangers lies our attempt, presented in the socioeconomic policy assumptions of the government, an attempt at a saving maneuver to lead the Polish economy out of its deep state of collapse, or at least restrain the destructive trends.

We are assuming that 1992 will permit a halt to this destructive process and that the following years will restore to the Polish economy its possibilities for development. But in order for this to happen some conditions of a political and social character must be fulfilled, irrespective of the proposed steps and measures of an economic character. This program, in order to be implemented, must gain support, not just acquiescence but active support—politically within this House and socially outside it.

Political support in this chamber depends on your attitude, ladies and gentlemen deputies. You are going to assess the program. You are going to debate it. I think amendments will probably be submitted. The government will accept every proposal that does not contradict a fundamental line of the proposed policy. I stress, we cannot accept two things only: We cannot accept the return to a course of action which causes an increase of economic depression in Poland and we cannot accept steps which would threaten to destabilize the economy through super inflation. This has been the border line of our openness.

May it please the House, support for this program means support for the government. The government was formed in difficult conditions. It remains open to changes. But the changes cannot result from anybody's personal ambitions or from complicated interparty political bargaining. They must be the result of the acceptance of a certain common program.

A government formed on a different basis, made or reconstructed on a different basis, could not fulfil its tasks. I think it is high time to start talking about a program, about its needs, and about how and in what conditions it can best be implemented. Too often, too often, indeed, I face demands and claims which have nothing to do with the program or even with a question about the program. One says that one has been wronged, one has not enough, one has got too much. I think that this is the result of a certain way of thinking inherited from the old system. We should avoid this way of thinking. It would be a tragic thing if one totalitarian nomenklatura, the remnants of which we are still struggling against, is replaced by nomenklatura of a dozen or so different parties.

Besides, I think that in the political system we are building all talents and all possibilities and abilities should be used, including people belonging to no party.

May it please the House, the need to agree spreads further than the Sejm itself. For this program, for its implementation, what is needed is social agreement. What is needed is more than just acquiescence, what is needed is the approval of the broad sweep of the working milieu, the approval of the agricultural milieu and finally an agreement with a class which is only just arising in Poland but which is very important—the class of small and medium- sized businessmen, a class which is not pampered by the conditions which prevail today. Yet the development of this class, its possibilities for action, will in reality decide if we build a true free market system in Poland and if we consolidate democracy. This group constitutes the infrastructure of the free market system. Economic freedoms are always the best possible guarantee of political freedoms.

The government's experiences in the last two months are bitter experiences. The capital of social trust, which was so vast in 1989, has already been exhausted. The barrier of social patience has been reached. This government, with the responsibility to make a rescuing turnabout for the Polish economy is running into this barrier for the first time.

Taking the advantage of this position, I would like to explain a controversial issue of energy price increases, especially as far as the attitude of employees' representations is concerned. We have recently been charged with arrogance, just because the government had not given in on this issue. I want to tell you that the government could not have given in on this issue. Since the beginning the government had been proposing a certain basis of discussion, which was a basis, the basis which is a natural sphere for the unions, the basis of shielding. [Word indistinct] decision, although I admit, the government made public apologies on this issue. It was announced in such a way that it infringed the trade unions rights as a

result of peculiar circumstances which existed then, at the time when the government was being formed. The decision itself could not have been withdrawn.

The plan, or should I say a timetable, for the withdrawal of subsidies from energy carriers was agreed to by the previous government with the World Bank, which is financing the restructuing of this branch, a fundamental branch of our economy. The timetable for 1991 was not kept. There were no price increases in the middle of the year. All the accumulated charge of these decisions was transferred, or planted rather, on the new government.

If we want to continue rebuilding the Polish economy, this decision unfortunately had to be made. It had to be kept in force. In the future we will not allow such unfavorable, I admit, decisions for society to accumulate in such a way. We are resolved to introduce changes in a successive manner within particular quarters so differences in prices ensuing from the progressing inflation are levelled out.

I do not think this will be an anti-trade union action. I do not think this will permit people to say the government doesn't want or withdraws itself from dialogue with employees' representations. Unfortunately, we have had bad phenomena in this regard, recently. The warning strike by the railroad workers, approved by the National Commission of Solidarity, is a very serious matter. The National Commission of Solidarity did not give this sort of approval for the railroad workers strike in March 1981. The general strike on the rails is a collapse of the entire economy. Can this strike change anything? It can only worsen the situation of the railways itself and the entire economy. I do not think it is a good method of negotiating, the way to negotiate with representatives of the government, which after all, has the democratic identity card. We didn't use these methods, even withthe government that did not have this identity card.

A teachers' strike has been announced. I know that teachers' earnings are very small, incomparably small. We will try to do everything to change this state of affairs, of course, when there are possibilities. This will not only contain the teachers but it affects the entire budget sphere. But the teachers' strike is without precedent in the tradition of the Polish schools. In the Polish tradition a strike at schools is connected with totally different values, different tradition. The teachers' strike means the inclusion of the entire generation of young people in the fight for one's own particular material interests. I think that representatives of the Polish Teachers' Union, ZNP, the union enjoying such a glorious tradition, which also has the teachers' strike in its tradition—that particular strike was not about the money but about the teachers' liberties—that this strike will be called off after all. [sentence as heard]

May it please the House, I think that I still reflect a certain state of public mood if I say that people in Poland would like, above all, to see a certain form of a positive program, even one setting difficult tasks for them, but tasks which open real prospects for improvement, the improvement of the situation, the improvement of their existence, above all the removal of the feeling of uncertainty, which most worries numerous social groups. I think, therefore, that this state of public mood sets a good foundation for an open dialogue between the government and representatives of society, representatives of its basic groups, trade union leaderships and farmers, craftsmen and business representatives based on accepted premises precisely stated in the program presented to the house today for determining mutual rights and duties.

If such an agreement is not reached, if threats of strike actions and attempts to extort a better piece of a small common loaf for one's own milieu and for one's own social group continue, we will not implement any program, not the one presented and recommended by me to the House today or any other.

Today, in order to give something to somebody we must take something from somebody else. Today, if we give to the teachers, I say, today, Mr. Deputy, we must take from the police. You are going to defend the police. To give to the doctors we may have to take from white collar workers, whose wages are already low. I think, that we should be aware that there is no way out from the large number of claims other than a joint agreement, which will help the distribution, or the printing of money without backing, which would quickly lead to the destabilization of the entire economy, with the poorest bearing the costs.

May it please the House, specific points connected with translating the program into the language of economic operations—the stage of preparing the implementation of the assumptions of the government's social and economic policy—is still before us.

If our proposals are adopted, we will have to put a budget together on this basis. Only the budget will allow a proper distribution of funds between particular spheres of state and economic life. I think that as far as this is concerned the time has come to specify some priorities. The construction of the budget is to be a very difficult matter. There is a gap amounting to several dozen billions, even with an attempt to balance the most urgent needs. Thus, one will have to make very painful cuts. Within this scope, I would like the government not to have to make arbitrary decisions. Within this scope, I would like not only a public consultation to be held, but also, if possible, to attain some mutual agreements. We have to be aware that this is a budget, the state of which is determined by phenomena, which this government did not control, and could not have controlled. We are taking appropriate steps. An entire program of steps will be put into operation in the immediate future, aiming at improving the state of public finances. The treasury inspection has been restored.

We are working on, we are preparing to make the customs controls more tight, which will finally make our

borders more tight very soon, which as we all realize are completely uncontrollable. The state excise will be reinstated on alcoholic products so that an end be finally put to all those scandals which, by all means, do not belong to history being investigated by the Sejm commission. These are scandals which are still continuing.

Finally we are to tighten the taxation discipline. We also hope that making order in the state sector will also contribute to improvements in the budget, at least in [word indistinct]. Then it will be possible to draw up a budget which will essentially be at least the first fundamental assumption for the definition of basic social needs. For today, for the present moment we have to be aware that we will have to abandon many things. We will have to carry the costs of very difficult and dramatic choices.

The government is aware that currently for society, burdens [word indistinct] its groups most affected by the crisis, that these issues are seen most sharply and that they are most painful.

But the government is also responsible for the state of the country and for its fate. It must be said that at the moment the basic functions of the state apparatus cannot be properly performed, just because the public finances are in ruins.

If in the department of the administration of justice cases cannot be investigated because there is no money to pay for the necessary forensic tests, if trials do not take place because there are no possibilities of sending summonses for witnesses, if the police force has not got basic means of communication, if electricity supplies for military establishments and offices are cut off, then all this is a symptom of disintegration of the basic functions of the state. No government can agree to this. That is why in ths budget, despite its modesty, we will have to create a certain protected sphere, for the basic functions of the state.

I point this matter and this issue out because the government has already experienced this dratatic situation. This will be transposed into this hall. In these choices one sometimes has to make decisions against one's own feelings, not to say that sometimes these are decisions against one's own conscience.

The Esteemed Chamber has been presented with the resignation by Professor Karol Lutkowski, minister of finance. From this spot I would like to say that I—as well as this government, as I suppose we all—owe a lot to him. He took up a very difficult, a very thankless role in a situation which many considered as totally hopeless. This government would not have been formed if it wasn't for his decision to accept the post. His decision to leave after two months must have been a result of those difficult, dramatic situations I have already mentioned.

While accepting Professor Lutkowski's resignation I would like to ask the esteemed Court [as heard] to express its thanks to him.

At the same time I move that the High Court... [changes thought] the esteemed chamber [laughter in the hall] to appoint Mr. Andrzej Olechowski to the post of minister of finance. Mr. Andrzej Olechowski is a well-known economist. He is 44 years old, and he graduated from Warsaw University and the Main School of Planning and Statistics in Warsaw, as well as from the Institute of International Studies in Geneva. He was an employee and a collaborator in many international economic institutions, an agent in the United Nations Organization. He worked for two years in the World Bank, and collaborated with the IMF.

He has a PhD degree in economics. Between Novemeber 1989 and 1 February, 1990, he held the post of deputy chairman of the Polish National Bank. At the moment he holds the post of secretary of state in the Ministry of Foreign Economic Cooperation. He has written more than 50 treatises on the subject of international trade and a number of press articles. He does not belong to any party.

I have the honor to ask the esteemed chamber to accept the candidacy of Mr. Andrzej Olechowski for the post of minister of finance.

Party Caucuses Split Over Socioeconomic Plan

LD2602030192 Warsaw PAP in English 0025 GMT 26 Feb 92

[Text] Warsaw, Feb. 25—The assumptions of the government's socioeconomic policy for 1992 are the main point on the agenda of the four-day meeting that the Polish Sejm (lower house) is starting Wednesday [26 February]. According to Centre Alliance (PC) leader Jaroslaw Kaczynski the government will resign if the Sejm fails to accept the document.

The assumptions were also the main subject discussed by majority of Sejm caucuses and committees Tuesday [25 February]. The PC caucus reiterated its determination to support the package and so did the caucuses of the Christian National Union (ZChN) and the Christian Democrats' Party. However, the Democratic Union (UD) caucus decided to vote for the rejection of the assumptions, which it considers incoherent and threatening with bigger inflation. Also the Solidarity union caucus will vote against the programme, which it termed "unacceptable." The Liberal Democrats (KLD) sharply criticized the assumptions as an attempt to restore centralized economy, one that is closed to cooperation with abroad. The Polish Peasant Union (PSL) Solidarity caucus came in favour of continuation of the market economy in general, but voiced some reservations as to the government programme. Also the twin caucus of the PSL proper did not challenge the main provisions of the programme but raised some reservations as to whether exports alone should be regarded as the only remedy for the ailing economy. The Confederation for an Independent Poland (KPN) makes its support for the assumptions dependent on whether the government accepts some changes proposed by KPN. Deputies of the second

biggest caucus, that of the Democratic Left (SLD) will make up their minds how to vote only after the Sejm debate.

The agenda also includes the nomination of a new finance minister, a debate on the new regulations of the Sejm, and question time.

Meanwhile, the Peasant Agreement (PL) caucus decided to support the candidature of Hanna Gronkiewicz-Waltz for president of the National Bank of Poland (NBP), while PC leader Jaroslaw Kaczynski does not conceal his scepticism whether she is the right person for the post.

In another development, Secretary of State at the Central Planning Office (CUP) Halina Wasilewska-Trenkner told the Senate Commission for National Economy that her office is preparing a list of 30-40 luxury goods to be covered by a high turnover tax.

Sejm Committee Approves New Finance Minister

LD2702110792 Warsaw PAP in English 2321 GMT 26 Feb 92

[Text] Warsaw, Feb. 26—Sejm [lower house] Committee for Economic Policy, Budget and Finance approved Wednesday [26 February] the candidature of Andrzej Olechowski to the post of minister of finance.

Olechowski, 44, is an economist and deputy minister of foreign economic relations, former vice president of the National Bank of Poland [NBP] who also worked for two years for the World Bank. His candidature was put forward by Prime Minister Jan Olszewski in the Sejm Wednesday to replace Karol Lutkowski who resigned earlier this month.

Olechowski declared himself as an advocate of a strict monetary discipline and a pragmatist in financial decisionmaking.

He said he agreed with the socioeconomic policy of the government as presented to the Sejm earlier on Wednesday. In his opinion the means that the government would have to spend this year to resuscitate economy would not threaten the stability of the budget.

Mazowiecki on Political, Economic Difficulties

AU2402142392 Vienna PROFIL in German 24 Feb 92 pp 46-47

[Interview with Tadeusz Mazowiecki, chairman of the "Democratic Union" of Poland, by Hubertus Czernin and Ernst Schmiederer; place and date not given: "These Are Birth Pangs"]

[Text] [PROFIL] Mr. Mazowiecki, exactly one year ago in an interview with West German radio, you warned against "one-man rule" by Lech Walesa in Poland. Now, after the parliamentary elections and the painful forming of the government, can you give the all clear signal?

[Mazowiecki] I have always warned against a chaotic development rather than against a dictatorship. And I still have to say: There are elements of a chaotic development.

[PROFIL] Last summer the situation was different. At that time Walesa said: "The intellectuals"—including yourself—"think that true democracy exists only if they can manipulate everything." This leads to "having no authority in Poland anymore, to having anarchy reign, to having democracy go so far that one cannot do anything anymore."

[Mazowiecki] I hope that he will not repeat that. Those times are over. I am glad that our relationship has normalized. We are again talking to each other. However, this does not change the fact that I am critical of Walesa on certain issues.

[PROFIL] In DER SPIEGEL Walesa said recently: "A presidential dictatorship would not be so bad at this stage."

[Mazowiecki] But he also says that he does not want to act against democracy. However, let me answer this in principle: There is no means to establish a dictatorship. What is even more important, a dictatorship does not have any future in political terms.

[PROFIL] Walesa repeatedly said that a presidential dictatorship would have great advantages for Poland in its difficult period of transition.

[Mazowiecki] Perhaps he spoke about that, but if he demands that powers be shifted from parliament to the other state organs, he is speaking of strengthening the power of the government and not of the president. I am not basically against that, but something like that should be limited in terms of time and as regards specific issues. Government decrees can certainly not replace parliamentary decisions. They are not the key to solving the country's problems

[PROFIL] Cynically seen, Walesa's wish is not so absurd—at the moment there are 29 parties in the Sejm that block each other. How can this be tolerated in terms of democracy?

[Mazowiecki] This is reality, and we must live with it. These are the birth pangs of a democracy; it is nothing specifically Polish. In the first postwar parliament in Germany there were also more parties than there are now. The alternative to splitting cannot be a presidential dictatorship. The alternative would be a political and social alliance among certain parties as a protection for the reforms.

[PROFIL] Recently a Viennese opinion research institute published a poll according to which only 60 percent of the Poles prefer democracy "in any case" over dictatorship. This shows that the belief in democracy in Poland is still relatively weak.

[Mazowiecki] I am skeptical about polls; they often do not show objective difficulties but subjective opinions. Recently a poll was published in our country that said that 20 percent of the Poles think that more foreign capital should flow into the country; 70 percent, on the other hand, said that Poland has already been sold out to foreign capital. This has nothing to do with reality, because our most important problem is that we have too little foreign investment capital. The poll that you quoted therefore only reflects the people's reaction to the fragmentation of the political scene. We have a crisis in politics, a crisis of words, a crisis of all authorities....

[PROFIL] ...including the church?

[Mazowiecki] Including the church to a certain extent. It hits everyone. The people do not distinguish between the institutions.

[PROFIL] If you look at the past year: Has the young democracy become more stable or more unstable?

[Mazowiecki] This cannot be answered in one sentence: Of course, free elections stabilize democracy. However, the election result was a destabilizing factor.

[PROFIL] And the turnout was also very low.

[Mazowiecki] Yes. This is an expression of the crisis of authorities.

[PROFIL] What are the greatest weaknesses of the democratic development in Poland?

[Mazowiecki] First of all in the relationship between the highest organs. Then in the lack of credibility of some politicians. Too many of them today say the opposite of what they said yesterday. This then affects all politicians because the people do not make any distinctions. One cannot promise something before an election and then not keep the promise.

[PROFIL] The Polish people are suffering under a rising inflation rate and increasing unemployment. Are you afraid of social unrest?

[Mazowiecki] The restructuring toward a free market economy, which we initiated two years ago, demands sacrifices—there is no question about it. However, one must not overlook one thing: During this period 1.6 million new jobs have been created. We must continue in this direction. If one swims through a torrent, one must not turn around half-way across. Of course, corrections are always necessary, but not at the cost of the goal. For instance, we cannot afford simply to close down state industries. Here one has to proceed very cautiously, step by step.

[PROFIL] The current prime minister, Jan Olszewski, recently stated that Poland is "on the brink of a disaster."

[Mazowiecki] I strongly protested against this. One simply cannot say a thing like that.

[PROFIL] Is this just an overdramatization or is Poland's economy really on the brink of an abyss?

[Mazowiecki] There is no doubt that the situation is serious. This is precisely why one should show restraint with one's words. The bleaker I paint the future, the less the people will believe in the restructuring of the economy and society. This leads to a crisis of confidence and might develop into a crisis of the state.

[PROFIL] In the end the people's patience and their tolerance for suffering will decide everything. This might eventually lead to social unrest.

[Mazowiecki] If you mean a general strike, I must say: It is to be feared, but I do hope that it will not happen. The socially weakest group are the workers of the large state enterprises, which are being restructured in line with market economy criteria. In particular the workers constitute the greatest moral dilemma for us: It was they who supported the resistance against communism and brought success to democracy. And they are the ones who now have the greatest difficulty. This is a tragedy that one must mitigate but one that certainly cannot be completely avoided during the period of transition.

[PROFIL] Economically difficult periods might also lead to political radicalization.

[Mazowiecki] Of course this is the hour of the demagogues. It is absurd that some people already claim that life was better under the communists. The emerging nationalism is also dangerous. Therefore we need a political alliance of the most important forces in the country.

[PROFIL] In Germany the process of coming to terms with the communist past is fanning emotions. Democratic Poland—like the CSFR and Hungary—is considerably more restrained in this respect. Why is a cloak of silence being spread over history?

[Mazowiecki] The German discussion shows that this kind of coming to terms with one's past is not particularly successful. It cannot be model for us. I think that one must leave a lot to the historians. I am more in favor of looking toward the future.

[PROFIL] Adam Michnik says that one must forgive those who imposed martial law "in the name of forgiveness and reconciliation." This is completely different from what is happening in the FRG.

[Mazowiecki] Germany and Poland cannot be compared. But in our country there are also opinions that are different from Michnik's. I once said that we should draw a line under the past. I was harshly criticized for saying that. However, I meant something different from what was afterwards insinuated. Of course, all those who committed crimes must be prosecuted. The same goes for those who enriched themselves. There is only one alternative: either we use Jacobinical or democratic-legal methods. I think that Jacobinism is wrong. There remain

the methods of a state based on the rule of law—and this means that there will never be complete, all-satisfying justice.

[PROFIL] Shortly before Christmas the Public Opinion Research Center published a poll, according to which you are more popular among the Polish people than Lech Walesa. Is this popularity a reason for you to run for president once again against Lech Walesa?

[Mazowiecki] I do not think that I will do this, but it is too early to say anything definite. I can also serve the country in other ways. Now I am a member of the reserves of the republic. Of course, I want to participate actively in Poland's historic process of development.

National Bank Announces 12% Devaluation of Zloty

LD2602163492 Warsaw PAP in English 2039 GMT 25 Feb 92

[Text] Warsaw, Feb. 25—The National Bank of Poland (NBP) acting in agreement with the minister of finance and the minister of foreign economic relations has decided to increase by 12 per cent the value of the basket of currency, which will amount to 13,360 zlotys as of February 26, says a communique issued Tuesday [25 February] by the NBP press spokesman.

The structure of the basket of currency, which is composed of the U.S. dollar (45 per cent), German mark (35 per cent), British pound (10 per cent), French franc (5 per cent) and the Swiss franc (5 per cent) remains unchanged. The mechanism of the growth of the basket's value of about 1.8 per cent monthly also remains unchanged, the communique states.

The decision of the NBP president takes into account the present inflationary processes in economy and the necessity to preserve the profitability of foreign trade exchange. The decision also serves to adjust the value of the Polish zloty to other convertible currencies, the communique stresses.

Independents Win Majority Seats in Local Elections

LD2702111892 Warsaw PAP in English 2327 GMT 26 Feb 92

[Text] Warsaw, Feb. 26—Most seats in the last Sunday [23 February] by- elections to local governments were won by independent candidates not supported by any political party. All in all, they got 692 out of 1,053 vacant seats in 40 communal councils and 37 newly formed ones, general electoral commissioner Senator Jerzy Stepien disclosed Wednesday [26 February].

Among new councillors, 60 were supported by citizens' committees, 56 by Polish Peasant Party [PSL], 9 by Democratic Left Alliance [SLD], 7 by Democratic Union [UD] 5 by Democratic Party [SD] 4 each by Centre Alliance [PC] and the Christian National Union [ZChN] and 2 by the Confederation for an Independent Poland [KPN].

Ministry Rebuts Hungary's 'Revisionist' Concept

AU2102213392 Bucharest ROMPRES in English 1930 GMT 21 Feb 92

["Diplomatic Diary: Romanian Foreign Ministry Statement"]

[Text] Bucharest ROMPRES, 21/2/1992—In a statement issued in Bucharest on 21 February Romania's Foreign Ministry states its deep concern over recent statements of members of the Hungarian Government that show a tendency in the neighbor country's foreign policy with destabilising effects on peace and security in East Europe, on Romania more particularly.

The Foreign Ministry refers first of all to a speech of Lajos Fur, defense minister and executive president of the Hungarian Democratic Forum at Miskolc on 14 February 1992 in which he said in reference to Hungarian foreign policy.

"The Hungarian national security has a specificity, one specific, special factor I might say, which is characteristic for us Hungarians alone. This is the fact that the Hungarian nation here in the Carpathian basin does not mean only the Republic of Hungary. Here in the Carpathian basin the Hungarian nation is language nation. It is a nation of which one third has unfortunately become a minority after the peace dictate at Trianon. The defense of all Hungarians here in the Carpathian basin is an inseparable part of the defense of the Hungarian nation's security. Any Hungarian policy pursued by the Hungarian Government and the Hungarian parliament at this extraordinary time of transition and in this volatile country should do its best and use every lawful ,diplomatic means in order to end the threat to our minority fellows so as to be able to guarantee the conditions for their survival...."

Such affirmations show an approach that is at least odd to national security which for every country is known to mean defense of the national territory, of state independence and sovereignty over the territory. The question of extending state security to parts of other countries or to populations living in the territory of other countries has never set internationally, in agreement with the principles of international law.

All CSCE documents on security touch on the criterion of territory, and not on the language spoken by one population or another.

Minister Lajos Fur's statement reflects a conception and a policy that is incompatible with the principles of international law, of the Charter of the United Nations, of the Helsinki Final Act and of the Charter of Paris for a new Europe. It is unacceptable that national security problems could be set for Hungary in terms that are different from all other CSCE participant states—as he suggests—appealing to queer political concepts such as the "language nation" and assertions that defy geographic realities such as locating the Hungarian nation in the Carpathian basin.

There is no state that does not have minorities in its territory very much like that there are persons whose ethnic descent is the same as that of its majority population but live in the territory of other states. Hungary is no exception in this respect.

On the other hand it is inconceivable that a state should assume security attributions for the citizens of another state, which the idea of "defense of all Hungarians" would imply. As far as we are concerned, this thesis is an attempt to the state of law that we are building in Romania whose role is to defend and guarantee the rights of all its citizens, including of the ethnic Hungarians. There is no state in the world that can accept today—and Romania is no exception—that another state should take responsibility for its citizens. This approach is to be found in no international document agreed at either the CSCE or at other European fora where minority questions were dealt with at length.

On the other hand, Minister Lajos Fur's statement refers to "the threat to (the ethnic Hungarian) minority" in neighbour countries and the idea of Hungary's guaranteeing "the conditions for their survival." At least, as far as Romania is concerned this way of thinking lacks all factual support. Is is a fact that the Hungarian minority in Romania has grown numerically steadily, at a rate comparable with the country's population growth rate, which shows that a denationalisation policy was not and is not pursued, and that its "survival" is not at stake. On the contrary: If we were to judge from the results of the first round of local elections in Romania, the Hungarian ethnic minority is an active presence in the country's political life.

Secondly we refer to the interview granted by Geza Entz, secretary of state at the cabinet of Hungary's prime minister, published in MAGYAR HIRLAP on 19 February, 1992.

Answering a question about the reasons underlying the establishment of the Secretariate for the Hungarians Beyond Hungarian Frontiers, Geza Entz answered:

"In the neighbouring countries a number of at least 3.5 million Hungarians are living and they are naturally considering themselves as an integral part of the Hungarian nation. Their fate greatly influences the relations we have with the neighbouring countries. As a consequence of the democratic changes, the Hungarians forming minority groups have had the possibility to set up their own independent organisations. The Secretariate's main task is to keep in touch with them and represent, through diplomatic channels, the interests of Hungarians living outside frontiers.

"As far as the situation of minorities living in Hungary is concerned, this being a matter regarding the internal

affairs, we have set up an independent body dealing with such problems, namely the section for minorities and ethnic groups."

Likewise, speaking about the bill on minorities submitted to Parliament by the Hungarian Government, and about the solutions to minority problems in Hungary, Geza Entz said:

"The issue of the minorities must be solved not because one country or another has achieved something in this respect, but because this forms the basic aspect of any country's internal policy. No matter how we may try to solve the minority problem, reasons for critical remarks will always be found. I do not think that the logic of making connections between the two matters is a good one. We do not want to embrace facade policies, we wish to persuade Parliament to approve a model law on minorities. But we must make a good law, so that the minorities in this country could be helped to find their happiness, so as to compel,through our practices, other countries to do the same. As a matter of fact, the situation of ethnic minorities in Hungary is completely different from that in the neighbouring countries, because here they form a Diaspora, not compact groups. This peculiarity itself makes it much more difficult for us to solve all the problems arising."

Mr. Geza Entz starts from a premise contrary to the generally accepted European standard, namely that Hungarian minorities in the neighbouring countries allegedly were an integrant part of the Hungarian nation. The European standard on the subject, synthetically presented in the report of the CSCE expert meeting on ethnic minorities (Geneva, 1-19 July 1991) is that "ethnic minorities are an integrant part of the state they live in and they are a factor enriching the respective states and societies" (Chapter I, Paragraph 6) and that the CSCE countries must "ensure the persons belonging to ethnic minority groups the conditions to enjoy equal possibilities of effective involvement in the public life, economic activities and the progress of their societies" (Chapter IV, Paragraph 1).

Geza Entz's position also evinces that "the diplomatic representation" of the interests of the Hungarian minorities who live outside Hungary's borders, therefore in Romania, too, should not be guaranteed by the Romanian state's institutions and not even by the organizations of the persons belonging to the Hungarian minority but by a governmental body in Budapest. The consistency of such a position with that expressed above by the defence minister is conducive to the conclusion that we are essentially confronted with a position taken at the Hungarian Government level, more particularly because no one of the two dignitaries made anyone understand they were speaking only on behalf of the political groupings they represented or on their own behalf.

Moreover, we can but notice Mr. Geza Entz's special logic. According to his assertions, the situation of the minorities living in Hungary is "the domain of the internal affairs" of the Hungarian Government, and the safeguarding of the Hungarian ethnic minorities in the neighbour countries also falls within the Hungarian Government's competence, that is the Secretariate he is heading. Does this logic comply with any European standard? Unfortunately, we have to grasp it as a "revisionist logic." Finally, we understand from Mr. Geza Entz's presentation of the minorities bill that the real aim the initiators of the bill pursue is to create a "model" and "compel" other countries to do the same.

The anxiety we feel over the position taken by the two members of the Hungarian Government stems from the fact that they clearly express a revisionist outlook despite the assurances the government and the decision makers in Hungary give from time to time. Unfortunately, such statements, which are not at all similar, strengthen the broadly disseminated comprehension with the Romanian public opinion that top executives in the Hungarian Government think of the relations with Romania in terms of territorial claims. At the same time, they fully feed Romanian nationalistic extremists just as the Hungarian nationalistic extremists in Romania.

The reasons for which the Romanian delegation made an interpretative statement at the recent CSCE Council meeting in Prague have been fast averred [sentence as received]. The two statements prove once more that there has always been the possibility of creating from outside artificial problems under various pretexts apt to lead to tensions and even to conflict, for destabilizing or revisionist purposes, by making use of minorities' question.

Given the time at which they are made, such statements seriously question the real intention of the Hungarian Government to commit itself in good faith to concluding a treaty of good neighbourhood and collaboration in accordance with European standards, in connection with which negotiations have already started. As for the Ministry of Foreign Affairs, it wants to reiterate the decision of Romania's Government to further make efforts so as the Romanian- Hungarian relations should take a normal course,that of relations between two neighbour, sovereign and independent states able to develop links underlain by the principles of international law enshrined in the UN Charter and the CSCE documents.

Iliescu on 'Insufficient' Aid, Poll Results

PM2602125092 Stockholm SVENSKA DAGBLADET in Swedish 25 Feb 92 p 5

[Interview with Romanian President Ion Iliescu by Richard Swartz in Bucharest; no date given]

[Text] From the very beginning former reform communist Ion Iliescu was at the head of the group which took power in Romania after the fall of Nicolae Ceausescu in December 1989. Together with politicians like Silviu Brucan and Petre Roman—both later outmaneuvered by Iliescu—he founded the National Salvation Front. In the

spring of 1990, in the first free parliamentary elections, the Front won a resounding victory over the opposition. Iliescu was elected president with 85 percent of all votes cast. In an exclusive interview SVENSKA DAGBLADET spoke to Iliescu in Bucharest.

[Swartz] Mr. President, you have said several times that the West is not doing enough to help Romania. Is this still your view and what do you think are the reasons that the help is failing to materialize?

[Iliescu] We do not reproach anyone. Our problems are our own and we have to solve them ourselves; help from abroad cannot be the decisive factor. But at the same time it is a question of the stability of the whole of Europe. What happens in the East also affects you in the West; it does not only affect the other countries in East Europe that are going through the same process as Romania.

It is with this in mind that I think that the help is insufficient. We need more credits, more cooperation, more international solidarity, and it is unlucky for us that we are standing where we are standing when the world is wrestling with economic problems.

[Swartz] And the reasons?

[Iliescu] There must be several reasons for the West's reluctance to help. But this does not affect Romania alone; Lech Walesa is also dissatisfied. And in the last two years Poland has received more than $25 billion from the West and doubled its foreign debt. For more than a year we have been negotiating a single billion without having received more than half of this so far. I view this as discrimination. Also, the new democracy here will be compromised if people do not see that things are getting better for them. And things can only get better for them if the West helps us.

[Swartz] Do you think that the reasons for the West's reluctance could in part be something to do with you personally? In this part of Europe today you are one of the few presidents who has a communist past?

[Iliescu] But does not democracy mean, among other things, that each nation has the right to elect the leader it wants? And that the decision is respected! Would it be democratic if the rest of the world said: "Yes, indeed, we want good relations with you, but only once you have replaced the leader you elected?"

[Swartz] No....

[Iliescu] I understand that the rest of the world's picture of us is influenced by our internal conflicts. But when a society makes a break with totalitarianism in order to build a democracy, deep divisions and a great deal of confusion are bound to arise. Everyone ought to understand that. But why do people only want to listen to the opposition which uses every means imaginable to blacken its opponents? Do people think that from the very beginning I was at the head of the Front out of pure chance? And those people in this country who today belong to the opposition know that for 20 years I was against Ceausescu and his dictatorship. I was a symbol of the opposition to Ceausescu.

[Swartz] And who are you today? How would you describe yourself politically—as a social democrat, a liberal, or perhaps a reform communist?

[Iliescu] You give me a groundplan that is too narrow and inflexible. Today what is important is how we can pursue a realistic policy, how we can best defend the nation's interests. For me this means trying to put together a platform for all constructive forces in Romania. Only in a few years' time can there be any point in trying to label people politically.

Do not forget that this society found itself in a deep crisis in December 1989, a crisis which is still not over, particularly not in the economic field. Today we produce only 65 percent of what we produced in 1989. How are we to be able to reform the economy, how introduce a real market economy? How is Romania to be integrated into Europe? For all this we need a broad dialogue which does not allow itself to be the captive of a single political line; instead we need a platform for all.

[Swartz] I return to the question of political credibility. How do you think that the rest of the world and Romanian citizens can have confidence in you after you called in the miners against the opposition in June 1990, and afterwards even thanked them for their rampage through Bucharest?

[Iliescu] You are talking about the false propaganda that is being directed against me, not about facts. I did not call in the miners for them to make trouble....

[Swartz] But you thanked them afterwards....

[Iliescu] Yes, that is correct. I thanked them for what they had done right, not for what they had done wrong. But the problem was not the miners. The problem was the anarchist elements that had been organized by peripheral political forces here in Bucharest. Do not forget that anarchy broke out here on 13 June and that the miners did not come here until the following day! Police and army were unable to halt the anarchy. And it was policemen who were attacked and beaten, not anarchists.

[Swartz] Really?

[Iliescu] Could you imagine people in Sweden, Germany, or France allowing policemen to be attacked on the open street? Do you think that American policemen would accept being attacked without defending themselves, without shooting their adversaries dead on the spot?

[Swartz] No, perhaps not.

[Iliescu] And can you then explain to me why I should not have thanked the miners for what they did? But all this has been presented in a distorted form in the West.

[Swartz] You have been involved in the appointment of a commission to investigate who were the "terrorists" who fired on civilian demonstrators in December 1989. You still do not know who these people are. Where are the "terrorists" really? And why do you not have any clear evidence of who were responsible for the bloody clashes between Hungarians and Romanians in Tirgu Mures? Why is it so difficult to discover the truth?

[Iliescu] All this is still under investigation. In cases like these it is always very difficult to find out the truth. You ought to know that. Olof Palme was murdered, wasn't he? And have you arrested the murderer?

[Swartz] No.

[Iliescu] And after all only one person was involved, murdered by a second person. And all of this in a democratic country like yours! And yet you have not been able to clear it up. I can assure you that I too am interested in knowing who the "terrorists" really are. After all, throughout those days I was here in Bucharest, at the television station, together with the army. I traveled round in an armored car and people shot at it. I was the bullets' target. Believe me, I am personally very interested in knowing who it was who shot at us.

[Swartz] After the first round of local elections it already looked as if the Front had suffered considerable losses, as if the opposition had gained ground. Are the elections a defeat for the Front?

[Iliescu] As things are in this country, anyone at all who had governed in the last two years would have lost votes. The person who assumes responsibility always has to pay a price. The Front knew in advance that it would have some losses in Bucharest and other large cities. But out in the countryside it seems to have had a good election; there there is support for it, it is still credible.

But developments here in Romania move very quickly and I am aware that in this spring's parliamentary elections the Front will be unable to defend its absolute majority. Some divisions within the Front also contribute to this.

[Swartz] Do you think that the Front will have a better election if it keeps Petre Roman as its leader or if it gets rid of him before the elections?

[Iliescu] I cannot say.

[Swartz] And you yourself—will you be a candidate for the presidency again?

[Iliescu] I have not decided yet. Parliament is discussing new legislation regarding the presidency. I want to wait for the outcome of that discussion.

[Swartz] Finally, if you have no objections, a personal question. Are you a believer?

[Iliescu] I believe in man and in man's intelligence.

[Swartz] But not in God?

[Iliescu] No.

Bucharest Radio Reports 23 Feb Election Results

Iasi, Maramures

AU2602194292

[Editorial Report] Bucharest Radio Romania Network in Romanian at 1800 GMT on 26 February carries a 4-minute hook-up with the Central Electoral Commission from where radio correspondent Victor Spirache reports on "two additional counties submitting protocols containing results of the 23 February election runoffs."

Spirache says that the two counties in question are Iasi and Maramures. He then says that "in Iasi votes have been cast in 47 constituencies and that 45 mayors have been elected as follows: National Salvation Front [FSN]—19; independents—12; Agrarian Democratic Party [PDAR]—eight; Democratic Convention [CD]—three; Traditional Social Democratic Party [PSDT]—one; Romania Mare Party—one; and Democratic Party of the Unity of Romanian Villages—one.

"In two constituencies, a second poll will be organized on 1 March and in Tutora new elections will take place on 19 April.

"Elections will be organized in Sapinta, Maramures County, also on 19 April. In this county, of the 49 constituencies in which runoffs were held on 23 February, 45 mayors were elected as follows: FSN—14; independents—11; CD—seven; Romanians' National Unity Party [PUNR]—five; PDAR—five; Ukrainians' Union of Romania—two; and Democratic Union of Hungarians in Romania—one."

Spirache says that in three localities "in Maramures County a second poll will be organized on 8 March this year."

He adds that "as far as the second poll is concerned the mandates obtained for the position of mayor total 1,556 and are distributed as follows: FSN—39.65 percent; independents—30.08 percent; PDAR—10.22 percent; CD—9.7 percent; PUNR—3.28 percent; Republican Party—1.41 percent, and so forth, other political formations obtaining less than one percent. As far as the new elections on 23 February are concerned, the councillors mandates went to 936 candidates as follows: FSN—40.66 percent; CD—26.15 percent; and so forth, other political formations obtaining less than 10 percent."

Spirache concludes his report by saying that "within the framework of the same new elections on 23 February, the mayoral positions went to 40 candidates as follows: FSN—55 percent, independents—27.5 percent; CD—10 percent; and other political formations which obtained less than 10 percent."

Caras Severin, Timis

AU2702125892

[Editorial Report] Bucharest Radio Romania Network in Romanian at 1100 GMT on 27 February carries a three-minute linkup with the Central Electoral Commission from where radio correspondent Victor Spirache reports that "the number of counties from which delegates still have to arrive with the protocols containing the official results of the 23 February elections is now four: Bihor, Dolj, Giurgiu, and Satu Mare, as well as the protocol with the result of the election of general mayor of Bucharest."

Spirache then announces "the official results from Caras Severin County, where on 23 February, second ballots took place in 48 constituencies and a second poll was organized in one constituency. The mayoral mandates were allocated as follows: 17 to National Salvation Front [FSN] candidates, 16 to independents, 11 to the Democratic Convention [CD]; three to the Ecological Movement of Romania [MER]; one to the Agrarian Democratic Party of Romania [PDAR]; and three to the Republican Party; that is, 49 mayors altogether. The 10 local councillors mandates were distributed as follows: five to the CD; four to the FSN; and one to the MER."

Spirache also says that "final official results of elections were submitted from Timis County as well, where 53 mayoral mandates were allocated as follows: 19 to the FSN; 15 to the CD; 10 to independents; three to the Republican Party; two to the MER; one to the PDAR; one to the Romanian Democratic Forum; one to the Union of Bulgarians in Banat; and one to the Democratic Forum of Germans in Banat."

Political Leaders Comment on Election Returns

AU2602205892 Bucharest ROMPRES in English 1605 GMT 26 Feb 92

[Text] Bucharest ROMPRES, 26/22/1992—In a set of statements published by daily TINERETUL LIBER in its February 26 issue, PNL [National Liberal Party] Chairman Radu Campeanu assesses that the local election returns in Romania "definitively mark the distancing of the electorate and public opinion in Romania from the National Salvation Front [FSN]." Likewise, Radu Campeanu opines, these "free local elections, the first in 54 years, have an historic importance: It is for the first time after the establishment of the communist regime in Romania that the administration ceases to be cent per cent communist." The PNL leader hopes that "the penetration in these zones of people who think different and have a different mind will be a beginning of guarantee for the future administrative elections."

Analyzing the local election returns, the National Salvation Front national leader Petre Roman assesses that "the preponderance of the Front is very wide." He substantiates his assessment with the fact that "over 55 per cent of the elected mayors are FSN members," that as regards "the political vote, the vote on the councillors' lists" the FSN "got some 41 per cent" and in point of voters' number his "party got over 33 per cent." These percentages, Petre Roman assesses, "give justified grounds and the belief that the Front may win the general elections."

Ana Blandiana, chairman of the Civic Alliance, opines that "the local elections were just a dress rehearsal of the unity of the opposition that should function also on the parliamentary elections."

Emphasizing the "success of the Democratic Convention, especially in the big cities and the less favourable returns in the rural areas," Ion Diaconescu, first deputy chairman of the Christian Democratic National Peasant Party, says he is "optimistic about the elections that will follow this year in spring—legislative and presidential. The local election returns," Diaconescu says, "are encouraging to all those who were hesitant, still scared or discouraged" as they get convinced that "elections can lead to a change in our political climate."

Radu Ceontea, chairman of the Romanian National Unity Party, says he is "content" with the returns of the local elections, considering that his party "a partisan of small and long-term successes" and participant in the elections "on its own" instead of a "kolkhoz of parties," managed to get "the expected returns."

For the UDMR [Democratic Union of Hungarians in Romanian] Senator Attila Verestoy, "the returns are natural." The local elections, which he terms as "a moment when the process of emergence of pluralism takes one step ahead," have demonstrated that "finally, a major step ahead is taken on the road to a civil society." The UDMR senator thinks that his party "has more than attained its targets" proving that "it is and must be a constructive factor in the Romanian society."

Government Appointment of Prefect Criticized

AU2502093492 Bucharest DREPTATEA in Romanian 22 Feb 92 p 1

[Mariana Sipos article: "The Regime Defies the Democratic Vote—To Appoint a Bucharest Prefect Is a Totalitarian Measure"]

[Text] Two days before the elections, the government remembered that there is a law on the basis of which it can appoint the prefect of Bucharest and of the Ilfov Agricultural Sector.

Why Bucharest at this very moment needs a prefect who would duplicate the mayor is not very clear.

However it is clear that this is a totalitarian measure: who cares if you, citizens of Bucharest, through your democratic vote elect a mayor (Crin Halaicu), we are going to pound the table and appoint a prefect (namely, current Mayor Doru Pana).

This is a last minute move that proves nothing other than the desperation of those in power. The regime is up

to its old tricks again, openly, without caring about the world's reaction. Mr. Stolojan is giving in, is giving in....

We do not know when, on Thursday [20 February], the government decided that no matter what, it needs a prefect. However, it is certain that the television announced the "piece of news" during its midnight edition of the "Current Events" program to inform everybody who was asleep about this event—objectively, correct?

On Friday [21 February] morning we turned to the Government's Press Bureau for more details. Mr. Doru Pana was appointed on the basis of Article 96 of Law 69/1991, but the hasty circumstances in which this measure was taken were not disclosed for the simple reason that the Press Bureau did not know anything else.

Nevertheless, we face a clearly absurd situation: The people's vote demotes the current Bucharest mayor, while the government promotes him for the outstanding contribution he made to the greater degradation of the standard of living in Bucharest!

Here is further proof that the regime virtually defies the democratic vote!

Note: Mr. Diaconescu, counselor to State Secretary Viorel Ursu, told us in the last moment that the decision was taken at noon—however, we do not know by whom—and it reached the prime minister's office to be signed by the him, who, we suspect, was as surprised as we were. In any event, we were assured that this is a "simply formal matter."

Stolojan, Roman Discuss Current Activities, Issues

AU2402212192 Bucharest ROMPRES in English 1858 GMT 24 Feb 92

[Text] Bucharest ROMPRES, 24/2/1992—Premier Theodor Stolojan and former premier Petre Roman, national leader of the National Salvation Front, were guests Monday [24 February] afternoon to the Romanian Television station the programme "Veni-ti Cu Noi pe Programul Doi" [Come With Us to the Second Channel] usually broadcast on Mondays.

They answered various questions asked by the public with regard to aspects of their governments' activity and the current economic, political and social situation.

In Mr. Stolojan's opinion, economic recovery the target that should unite the 23 million Romanians. It is the single way that makes us strong as a nation and accomplish what the whole population wishes and hopes to achieve, he underlined. To speak against the Romanian people's interest is condemnable, he said while referring to the way in which some members of Romanian delegations abroad present Romania's present image.

Mr. Petre Roman insisted on the need for a political will of all the country's forces, for understanding and the attainment of the reforming programme's aims, for the country's democratization.

FSN Executive President Stoica Discusses Program

Part One

AU2102161392 Bucharest AZI in Romanian 14 Feb 92 p 3

["First installment" of interview with Ion Aurel Stoica, executive president of the National Salvation Front, by Aureliu Marcu; place and date not given: "The Essence of the Program Proposed by the Front"]

[Text] [Marcu] Mr. Ion Aurel Stoica, do you not think that the time has come for political clarifications and conceptual explanations?

[Stoica] I share your point of view. However, it seems to me that your question also implies some kind of reproach that I do not think I deserve....

[Marcu] Reproach? What reproach?

[Stoica] Well, I thought you were chiding me for allegedly avoiding having a talk with you on this subject. Which is actually not true. On several occasions you "threatened" me with such a discussion, which, in fact, did not take place—although, to be quite frank, I was looking forward to it.

[Marcu] I am prepared to take all the blame for the delay. However, since journalists are the victims of "pressing topical issues on the agenda," and so many things have happened since our last talk....

But let us move on to the pressing topics of the day.

I will begin with a "frontal" question: Mr. Stoica, can you explain in two sentences the essence of the program submitted by the Front to the Romanian people?

[Stoica] I do not know whether I am so inspired as to put together such a concise definition as requested. I can say that the Front has proposed the following to the Romanian people: "A way through which the Romanians can regain the joy of living in their country! This means that the Front tried its best to identify the ways and means through which Romania can become a free and happy country.

[Marcu] This sounds a bit abstract!

[Stoica] This may be so because we are no longer used to believing that beautiful words can become reality. The decades of dictatorship were a superb school for skepticism. We no longer believe in promises, programs, and projects. The proposals made by others look like lies to us and we no longer put forward personal projects. This

is the most serious illness that affected the soul of the Romanians during the dictatorship....

[Marcu] Are you talking about hope?

[Stoica] The time of despair is behind us. We want to live and exist, right? This can only be done if you have hope....

[Marcu] Mr. Stoica, do you feel optimistic today? Can you be optimistic at all?

[Stoica] No, right now, I am quite worried. Not only in my capacity as minister and party executive president, but also as a Romanian; as a Romanian who loves his people and ardently wants us to overcome the present deadlock. However, my concern derives from optimism and hope.

[Marcu] Other parties also claim similar things.

[Stoica] This is not bad. The important thing is that the various parties should point out concrete ways and means for achieving the people's hopes.

[Marcu] Is the Front doing this? Where does the Front lie on the Romanian political landscape?

[Stoica] Do you again require a concise, definitive answer?

[Marcu] Not necessarily.

[Stoica] Good. Let us be concise. I have a precise formula: The Front occupies a radical center position asymmetrically tilted to the left. Let me explain and define this. I have used this rather elliptic explanation before and I was misunderstood. The Front is preeminently a social-democratic party. Ideologically it is derived from the traditions of European social democracy. I would say that it is obsessed with economic prosperity, which radicalizes it centrist position, and with social protection, which gives it its tilt to the left....

[Marcu] You said that the Front draws its origins from the traditions of the European social democracy. This is something new! You cannot claim that the Front is a... historic party!

[Stoica] Of course not. The Front emerged spontaneously in the days of December 1989. However, its ideology is based on the aspirations of European social democracy as they crystallized this century. I am talking about the revival, not continuation, of a Romanian tradition. I do not want to enter into polemics with anyone. However, Romanian social democracy of the interwar period died, being swallowed after the war, like all social democratic parties in Eastern Europe, by the communist or socialist-communist parties. This happened in all countries that fell prey to communism. This may have been dramatic and tragic, but it is nevertheless true.

This was the thesis of the Comintern, as Stalin imposed it: "Social Democracy is the moderate wing of fascism." This thesis led to the absorption and destruction of socialist and social democratic parties by the communist parties....

However, the social democratic parties have not only resisted in the West, but also developed, nuanced, and further adjusted their doctrine in step with the times. It is from this West European democracy that the Front derives the ideology and program it is submitting to the Romanian people....

[Marcu] This is quite interesting. I am hearing this for the first time! Could you be a little more concrete?

[Stoica] These are my personal opinions that I am airing here. I do not claim that they are fully shared by all Front members. However, I believe that the differences of opinion in this respect are not all that great....

Part Two

AU2602130092 Bucharest AZI in Romanian 20 Feb 92 p 3

["Second installment" of interview with Ion Aurel Stoica, executive president of the National Salvation Front, by Aureliu Marcu; place and date not given: "The Essence of the Program Proposed by the Front—The Romanians Should Regain The Joy of Life..."]

[Text] [Marcu] Do you mean that the differences of opinion between the first president of the front and its current one are not that great either?

[Stoica] I would not approach this subject now. Let us return to the previous issue. As you probably know, social democracy represented the major workers' movement at the end of the 19th century. Throughout the years its history merged with the history of socialism, but that was a history of dissimilarities and differences. Social democracy has taken a more concrete shape as a "third way" between the capitalist and socialist alternatives. In the 1950's and 1960's, European social democracy was defined through at least three specific theses. First, the reformist concept of social development. Olof Palme clearly noted that the reformist solution was much superior to the violent revolution, which is a desperate solution that brings about huge losses... Then, there was the economic concept of the mixed economy, with the synthesis between plan and market and the preservation of competition as its major principle. Finally, the concept of democracy, which is predominantly a moral concept, that included the absurdity of "class struggle." In 1959 when the Social Democratic Party in the former West Germany stated that social democracy has its roots in Christian ethics, humanism, and classical philosophy, Willy Brandt argued that social democratic programs should grant a key role to notions such as "solidarity," "freedom," and "equal justice." The democratic and civilized state would eventually become a juridical community of the people, who are duty-bound to watch over the preservation of these values....

[Marcu] Do you believe in the prospects and in the future of such a concept in Romania?

[Stoica] Yes and no....

[Marcu] A strange answer coming from an executive president of a social democratic party who has just claimed to be an optimist!

[Stoica] There is nothing strange in it. I believe in the prospects of social democracy in Romania because they, to a great extent, match the emotional depth of the Romanian soul and of our intellectual makeup, built on the values of humaneness, Christian gentleness, and the well-known diligence.

I am thinking about the metamorphoses of social democracy within the context of European changes and world changes in general. Mankind is progressing. Social democracy has proved viable precisely through its capacity to adapt to the changes in the world. It is significant for example what happened in the 1970's.

[Marcu] Please continue with your idea.

[Stoica] As you know, the oil crisis and the explosion of raw material prices took place then. Economic development slowed in most European states governed by social democrats. Inflation and unemployment increased, and to reduce or even eliminate them through social protection represented and continues to represent a permanent goal of the social democrats.

The crisis brought a reevaluation of the social democratic strategy. Instead of the goal of social protection, the priority goal became the integral employment of the labor force. Willy Brandt was noting in those years that "from the economic point of view it is more logical to pay salaries than... unemployment benefits."

In other words, social democracy understood that, as a matter of fact, economic growth is the best way to ensure social protection....

This is the "current social democratic option." Recently, a well-known businessman said on television: "For the state it is more profitable to pay unemployment benefits that salaries." For the state yes, and mainly for an economically developed state. For the individual, however, or for people in general, it is not profitable. For people "profitable" is only happiness based on well-being. This is the humanist and Christian meaning of the social democratic concept: To offer people not only unemployment benefits but a well- being that brings happiness.

[Marcu] Mr. Stoica, do you believe that this West European option of social democracy holds true for Romania today?

[Stoica] I believe that it is, but this issue should still be discussed....

Part Three

AU2702101592 Bucharest AZI in Romanian 21 Feb 92 p 4

["Third installment" of interview with Ion Aurel Stoica, executive president of the National Salvation Front, by Aureliu Marcu; place and date not given: "The Essence of the Program Proposed by the Front—The Social Democratic Strategy Remains Valid in Romania"]

[Text] [Marcu] Mr. Stoica, during our previous meeting you expressed your belief that the West European option of social democracy is still valid for Romania, both today and in the future.

[Stoica] Yes, what we have in mind is a plan according to which economic development and social emancipation through economic performance represent the best social protection strategy for achieving the ideals of equality, social justice, and solidarity....

[Marcu] Such a plan seems paradoxical. It seems to me that the social democrats are adopting a thesis with a more liberal touch.

[Stoica] It is not the "nuance" of the thesis that is important, but the realism of the concept. We should not forget that Article No. 1 of the Constitution reads: "Romania is a democratic and social state of law...." As far as the plan that I am thinking about is concerned, economic development is profitable both for the person and for the state. It evidently leads to almost full employment—as was the case in the sixties and the seventies in the former West Germany and Japan. It is more profitable for members of society to receive a salary and have an income than to rely on state protection, which generally takes the form of unemployment benefits.

The fundamental idea is to create the socioeconomic and legal conditions that afford a measure of self-protection, or that can greatly improve the standard of living. This can be achieved by providing various incentives to those who create jobs....

[Marcu] You are telling me something like this: When I have an extra leu, I should not give it to the person who does not have any at all, but to the one who also has a leu and just needs another one in order to obtain—through I do not know what kind of means—one hundred lei. In short, you are telling me that it would be better to make a rich person richer than help a poor one. Do you not think it paradoxical for social democracy?

[Stoica] I am not saying that at all! Things might seem like that if we simplify reality to the extent that you have. Society is not a group of individuals, but a complicated network of relations between individuals. And as far as the economic process is concerned, if it is approached in a macrostructural way, at the level of the society, it acquires other laws than the ones that you suggested. You see, the reality is the following: under the conditions of a market economy, a rich person cannot get richer

without making others rich as well; and ultimately, under the conditions of a state of law and a market economy, the consequence of some people becoming boundlessly rich is the elimination of poverty and general prosperity.... As a matter of fact, the state of law and the principle of competition are very "crafty." Those who are strong and inventive work for the benefit of those who do not possess such qualities.

And since we are talking about paradoxes, here is one that you would like. Under the conditions of a modern society, the master is in actual fact the slave of his slave and the rich person is the slave of the poor one who serves him....

Of course I am exaggerating in order to make the things that we are talking about clearer....

[Marcu] Nevertheless, I like this paradox. And I do not have the feeling that you are making cheap speculations. But I want to return to my initial question: Is this strategy valid for Romania today?

[Stoica] To an increasingly great extent. Romania is still in the process of transition to market economy. It hardly established its Constitution in order to become a genuine state of law. However, the Constitution—this is my personal opinion and I am not ashamed to air it publicly—is an exceptional one. And the approximately 100 laws endorsed by the Parliament, which has a "National Salvation Front [FSN] majority," are also remarkable. I believe that we are on the right path, one that is going to lead to the appearance of the aforementioned "paradox": Those who ensure prosperity, besides gaining freedom in December 1989, will also ensure prosperity for the Romanian people. As a matter of fact, the Romanians will ensure prosperity for themselves because they are industrious, generous, and intelligent, but mainly intelligent people... I believe that the major resource available to us is not of a mineral or a vegetable nature, but a... cerebral one. Thus, we are a nation that has prospects....

[Marcu] What you are saying is not really in tune with what is happening in the streets. There are rallies, strikes, all kind of protests, protests mainly against the explosion of prices, and almost universal discontent. Since the 1990 elections, the image of the Front has deteriorated rapidly. The term "FSN supporter!" has almost become a insult today. I return to my question: Is the social democratic concept of the Front still valid in Romania today?

[Stoica] Unfortunately, there is a lot of truth to what you are saying. The Front won the elections by proposing a generous social democratic program. However, as a ruling party, it should start drafting and implementing the reform program for the transition to the market economy. I was a member of the FSN government led by Petre Roman. From the beginning, I realized what lay ahead of us, a government doomed to implement unpopular measures 90 percent of the time. Imagine carrying out price liberalization after 25 years of ferocious exploitation of the people and after the 10 to 15 years of hunger to which Ceausescu exposed the Romanians! Is there a more daring measure, one that is almost suicidal?

[Marcu] But did it really have to be done? Some voices are heard saying the opposite....

[Stoica] Those who say the opposite have no idea of economics. The planned Romanian socialist economy was a farce. It was not an economy, but a mill treading nothing. This artificial monster could only be kept going by completely sacrificing the people's standard of living....

[Marcu] Mr. Stoica, do I understand that the social democratic strategy was temporarily abandoned by the Front, that the transition to a market economy is taking place on the basis of another program, characterized by some people as "liberal?"

[Stoica] We cannot talk about abandoning anything. The Front's government has strived to harmonize the demands of the reform with its social democratic aspirations. However, it did not always succeed in doing so. Here are two "evils" that, from the very beginning, the government of the Front was aware of and could not avoid in the process of the transition to a market economy: inflation and unemployment. Why? Because they can virtually not be avoided. Transition is a painful process, sometimes extremely painful. But who can deny that the Front's government implemented many social protection measures. Each stage of the price liberalization process was also one of salary indexation. And finally, pensions also increased accordingly, unemployment benefits were introduced, and firm decisions for the protection of handicapped people as well as many other decisions have been made!

[Marcu] And people are still depressed. The saying "Long live the FSN, which reduced a hundred lei to the value of one leu" hides a deep sorrow.

[Stoica] People are right to be discontented. I am sort of stimulated precisely by this discontent. It is clear that people want to live better and are determined to do so. That is the source of the real motivation to work, which later turns into the motivation for prosperity. The Romanians are waking up. The type of work carried out with reluctance and in a formal way—because it was not paid—during the dictatorship will disappear. It will be replaced by genuine work, realistically motivated. On this basis, it is foreseeable that a strong middle class will be established in years to come. This will form the majority and it will include intellectuals, landowning peasants, shareholder workers, private entrepreneurs, and others, and all of them will have a decent standard of living.

[Marcu] Mr. Stoica, I know that "every cloud has a silver lining." However, please do not pretend that you do not understand my question. Many people are upset with the Front today. They reproach it for both imaginary and

real errors made by the Roman government, and mainly for the drop in the standard of living caused by the unnatural increase of prices....

[Stoica] It is no use suspecting me of ignoring the thrust of your question on purpose. I know that the electoral prestige of the Front has decreased. It was natural that that would happen. As early as the first days of the Roman government I said: "We are a government of suicidals! But it will be good for the country."

We did what had to be done, and this is all that matters. The rest is a natural change in the way the Front is seen and the way it appeals to people. All this time there has been only one real danger, namely that the Romanians would despair and let themselves be lured into believing that our economic and intellectual revival is not possible.

This has not happened at a massive rate. Certainly, there are isolated as well as individual dramatic cases. However, I want to reiterate that I have the feeling that the Romanians are waking up from their apathy and understand that they can work freely, for their own benefit.

You say that the Front has lost many of its sympathizers. Maybe. I am not very sure. However, it is not right to reproach the Front—as a party—for the real errors (in my opinion only a few and insignificant ones) of the Roman Government or imaginary errors (unfortunately many, and serious ones, that have been made with not very honest intentions)....

Investigative Unit To Examine Alleged Corruption

92P20151A Bucharest MONITORUL OFICIAL in Romanian 24 Jan 92 p 2

["Text" of Decision on the Establishment of an Investigative Commission]

[Text] In order to determine the truth and eliminate suspicion, lack of confidence, and the false representation of corrupt actions of a serious nature, that allegedly took place during the period from January 1990 to December 1991, the Senate resolves that:

Article I

An investigative commission is established to examine the following:

1. The situation of the former assets of the Romanian Communist Party, the Union of Communist Youth, and the Union of Romanian Trade Unions, as well as the accounts of the Ceausescu family and the "Libertatea" account, as of the present time.
2. The transactions carried out by the National Agency for Privatization regarding the sale of shares of stock or units with state capital, granting licenses, renting, management tenancies.
3. The management of hard currency from 22 December 1989 to 31 December 1991; the situation of the recovery of debts and of expenditures resulting from their recovery, as well as the situation of bids for contracting for foreign loans and consultations in the area of privatization.
4. The legal situation of property in Bucharest and in other localities which belonged to the former Romanian Communist Party or were used by its cadres or persons in the leadership of former state organs or public organizations.
5. The situation of the maritime and river fleet of Romania, with special attention to sales, licensing, rentals, or repairs carried out in the country and abroad.
6. The use of funds allocated to the Ministry of Culture, the Ministry of Education and Science, and the Ministry of Youth and Sports and the exact determination of the status of the works of art which belonged to the country as of 22 December 1989.

Article II

The investigative commission will have the following members:

1. Dragos Luchian, National Salvation Front parliamentary group.
2. Doru loan Taracila, National Salvation Front parliamentary group.
3. Mihai Matetovici, National Salvation Front parliamentary group.
4. Mircea Cupsa, National Salvation Front parliamentary group.
5. Mihai Talpeanu, National Salvation Front parliamentary group.
6. Ilie Gitan, National Salvation Front parliamentary group.
7. Attila Verestoy, parliamentary group of the Hungarian Democratic Union of Romania.
8. Karoly-Ferenc Szabo, parliamentary group of the Hungarian Democratic Union of Romania.
9. Dumitru Calueanu, National Liberal Party parliamentary group.
10. Mircea Voica, National Liberal Party parliamentary group.
11. Ion Munteanu, Romanian National Unity Party.

Article III

The Senate asks all state organs, institutions, organizations, and citizens to make available to the commission, on a timely basis, all the information, data, or material it requests, which would help to discover the truth about the repective situations.

Article IV

The investigative commission will present preliminary reports by topics and it will present the final report within 90 days of its establishment.

The commission will note in the reports any aspects which are not covered or inadequately covered by legislation or which require changes in regulations, so that appropriate measures can be taken.

President of the Senate Academician Alexandru Birladeanu
Bucharest, 16 January 1992
No. 3

Nastase Interviewed on CSCE, European Issues

AU2002202192 Bucharest ADEVARUL in Romanian 13 Feb 92 pp 1, 6

[Interview with Foreign Minister Adrian Nastase by Romulus Caplescu; place and date not given: "Returning to Normal Practices"]

[Text] [Caplescu] When you returned from your recent tour of Prague, Davos, Istanbul, and Madrid you said that such marathon tours are something normal in diplomatic activity. Aside from this performance and test of endurance, which you passed successfully, and aside from your obvious representative function—of "public relations," so to say—what is the practical effectiveness of such a performance? Concretely speaking, what has been achieved, for instance, at the Prague CSCE meeting?

[Nastase] The main objective of this meeting was undoubtedly to examine the preparation stage for the second Helsinki conference. We could view it as a kind of practice ground where various ideas and concepts on the future of the European architecture were tested. We call it European, although it has expanded. Increasing its members does not only mean a quantitative expansion, but also an additional number of difficult problems that are added to the CSCE, thus, obviously, requiring a new approach because of the change in the balance of forces in this political-geographic space.

[Caplescu] Speaking about the increased number of members, in 1975 when the first Helsinki conference started, it was said that the general European process may be compared with a "team," a luxury carriage and 34 trotters each of them trying to walk in a different direction. After Prague, their number rose to 48. Do you think that the "team" will move more easily now that the CSCE also has representatives from Central Asia? Europe has its own problems, why complicate its existence with others?

[Nastase] Europe is not only a geographical but also a political concept. It became a political concept through the involvement in 1975 by the United States and Canada and now the problem of the participation of the former Soviet republics has to be solved. As a CSCE participant, the former Soviet Union incorporated all those republics, and thus, from the point of view of space, the CSCE is not expanding; however, seen from another angle, it is very difficult to define where Eastern Europe ends. The main idea was not to discriminate between the various republics of the former Soviet Union, as was the case at one point, but to seek solutions to involve them in the European process to avoid areas of tension at the CSCE periphery. Thus, the solution that has been found cannot be criticized as principles nor strategy.

[Caplescu] Surely, first and foremost, it was desirable that these republics be integrated in the disarmament process bearing in mind that Kazakhstan, for instance, has nuclear weapons. Undeniably, however, one cannot disregard the ethnic and confessional conflicts in that area and one has to bear in mind the rivalry between various powers outside that territory trying to gain influence in that area. Does this not complicate the general European process?

[Nastase] Of course it does. Hence the efforts to create effective institutional mechanisms also because of the possible conflicts you referred to. The solution that was adopted was not to ignore them, but to possibly solve them within the system of values these republics have to endorse once they become CSCE members.

[Caplescu] What does the departure from the principle of consensus in making CSCE decisions mean, that is, how should one view the formula "unanimity minus one" or "consensus minus one." I would like to remind you of an old saying: Rather than sentence a single innocent person, it is better to let 10 guilty people go free. What guarantees are there that, eventually, the least guilty person may have to suffer? Can the majority be wrong?

[Nastase] This concern led to Romania's interpretative statement on that decision, because it goes without saying that the hypothesis the ministers participating in the Prague meeting had in mind requires a certain institutional formula. In case of big and serious violations, which might change the democratic regime of a country, there has to be a control formula, of course, to permit political measures outside the territory of the country in question. We were concerned about the fact that, under different circumstances, such a mechanism might be used for destabilization purposes in certain areas to provoke incidents that may be used as a reason for applying the respective procedure. We have requested that this mechanism be very well defined in the coming months, that is, by defining the categories of human rights violations referred to, including minorities' rights, and by specifying who establishes such violations. Thus, a very clear definition of the operation conditions is needed to avoid violations linked to hidden thoughts of a revisionist nature, because we know that—apart from its inherent importance in the current political situation—the problem of minorities may represent a political instrument for covering up territorial interests.

[Caplescu] It seems that in Istanbul a substantial step was made toward achieving an economic cooperation zone of the riparian or adjacent Black Sea countries. Romania has a key position in this area as a whole....

[Nastase] I think that this project is much more important than we imagine. It rallies—in a pragmatic way—countries with complementary interests in an area lacking a framework for economic cooperation. Undoubtedly, the Black Sea offers a very appropriate framework for legal investment projects, maritime transportation, environment problems and—why not—for creating a free trade zone in correlation with other such zones. Thus the available capital in such countries as Turkey, for instance, or—in the future—maybe Greece could be gradually merged, as could certain resources and certain raw materials of the former Soviet republics participating in this project such as Russia, Georgia, Azerbaijan, or Armenia, and, of course, the extremely large Russian and Ukrainian markets.

There is another aspect: After a 10-year experience in the application of the economic reform, Turkey is able to offer interesting ideas about seeking solutions to the problems in the majority of countries that are in the transition process to a market economy.

Romania, with its numerous interests, belongs to this category of countries; it is able to play an active role not only in establishing the institutional framework, but, given its industrial potential, it may also be one of those benefiting from the emerging new market; by means of the Danube-Black Sea Canal and the Rhein-Main Canal, which will start operating this year, Romania could also facilitate a direct link with central and northern Europe.

[Caplescu] A great variety, that is some 2,000, political and economic figures met in Davos, thus forming an extraordinary mosaic of opinions. How do you view that meeting?

[Nastase] The Davos World Economic Forum, which looks back on a 20-year experience, is a somewhat less orthodox and homogeneous meeting. It was attended by very varied people; some of them were invited to present their opinions on the political situation of the world, others, paying substantial sums of money—especially businessmen—to learn what is happening in the world and what risks, investment or trade opportunities there are. This meeting is something new; it tries—by focusing on political and economic interests—to seek tangible solutions for certain countries and, at the same time, to offer a personal link for future investment projects.

[Caplescu] The Romanian-Spanish Treaty and the other documents signed in Madrid pave the way toward a "horizon of expectations" for bilateral relations. Thus, may we "expect" more dynamic actions especially regarding the economic aspect of our relations?

[Nastase] It has, indeed, always been essential to see to it that the warm atmosphere that characterizes Romanian-Spanish political relations also be achieved in our economic relations. Aside from its provisions, which are very important, the treaty—and at this point I would like to mention the support granted by Spain regarding our association to the EEC—means the go-ahead for Spanish businessmen, and it means greater confidence in the Romanian market. From this point of view, the second document, namely the accord on cooperation in the area of tourism, represents a pragmatic element in putting the field of tourism into operation, a field in which Spain has a lot of experience. At the association of businessmen in Spain where I met with quite a large number of people, I noted that there is increased interest in Romania, maybe also due to the fact that a number of important Spanish companies won auctions in Bucharest; the most recent example is the one of "Telefonica" company in the area of telecommunications.

[Caplescu] Would you like to add anything else?

[Nastase] There are two aspects to mention. On the one hand, throughout my tour I was never asked a question about the situation in Romania that—let's say—embarrassed me; there was no attempt to question what is happening in our country. On the other hand, the multilateral meetings I attended were a particular opportunity for me to conduct brief and effective discussions on problems that needed to be dealt with at the Foreign Ministry level. As a matter of fact, this is one of the well known advantages of such a kind of meeting.

On the whole, my tour proved that we are strengthening our position within international normalcy—if one may say so—and this is a positive thing.

International

World Bank Considers SFRY Legitimate Partner

LD2602145592 Belgrade TANJUG in English 1937 GMT 25 Feb 92

[Text] Belgrade, Feb 25 (TANJUG)—Yugoslavia shall remain the only legitimate member and partner of the World Bank in these lands until a final solution has been found to the Yugoslav situation, vice-president of the World Bank Ibrahim Shihata stressed in a talk with Yugoslav Vice-Premier Aleksandar Mitrovic in Belgrade today. Shihata and associates are paying a brief working visit to Yugoslavia. A statement released after the talk says that both sides expressed a readiness and a wish to continue and promote credit cooperation and other forms of cooperation between Yugoslavia and the World Bank.

The World Bank is said to be in favour of a speedy normalization of relations with Yugoslavia, in order that an agreement on servicing the debt should be drawn up as soon as possible and all steps taken to activate the loans granted for developing railways, roads and the power system, grant fresh loans for mitigating war damage and resume the procedure for granting loans.

The loans should help along the process of restructing and ownership transformation, consolidation of the financial sector and development of small and medium-sized firms in Yugoslavia, it was heard in Belgrade today. World Bank Vice-President Ibrahim Shihata today conferred also with governor of the National Bank of Yugoslavia (central bank) Dusan Vlatkovic. TANJUG learns that an agreement has been reached which creates conditions for activating credits granted earlier and laying the groundwork for the World Bank to grant fresh credits to Yugoslavia.

These questions will be discussed also during the next visit of the World Bank's mission, expected in March. It was heard that Yugoslavia, despite serious economic defficulties, had been timely meeting its maturities by the end of 1991. Since Yugoslavia failed to achieve its last year's hard-currency earnings target and since the breakaway Republics of Croatia and Slovenia have introduced their own currency, the Yugoslav parliament has decided that the Yugoslav Federation should in 1992 guarantee the repayment of only those credits granted to the republics which have remained within the single monetary system.

Carrington Says Conference on SFRY Continues

LD2602151892 Belgrade TANJUG in English 1237 GMT 26 F3b 92

[Text] Belgrade, February 26 (TANJUG)—President of the Conference on Yugoslavia Lord Carringtpon set out on arrival in Belgrade on Wednesday that the Conference on Yugoslavia was continuing, as it was never actually interrupted. The arrival of the U.N. peace troops to Yugoslavia, as he noticed, was in itself not bringing a political solution to the Yugoslav crisis. He added that the U.N. expected the negotiations leading to a political solution to continue. Carrington said he would discuss the situation in the Serbian Krajinas, a common state, being created by Serbia and Montenegro, as well as the situation in Bosnia-Hercegovina, with Serbian President Slobodan Milosevic.

Bulgaria's Ganev, Maksic Talks Termed 'Frank'

LD2602143392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1156 GMT 26 Feb 92

[Text] Belgrade, 26 Feb (TANJUG)—Bulgarian Foreign Affairs Minister Stoyan Ganev, on a two-day visit to Serbia, met in Belgrade today with Milivoje Maksic, acting federal secretary for foreign affairs. They discussed changes in the Balkans and Europe, the strategic consequences of these changes and the position of the two countries in the area. The Bulgarian foreign minister made it clear that it was in Bulgaria's strategic interest that the Yugoslav people peacefully resolve their future form of existence at the earliest possible opportunity. He said Bulgaria in no way wants to hamper the process of seeking a solution.

In addition, Ganev reiterated his government's firm position on the complete observance of the territorial integrity of Yugoslavia and its republics. He said the recognition of the independence of individual republics by Bulgaria in no way reduced Sofia's interest in cooperation with Yugoslavia, that is to say, with those who wish to remain in a common state. During the talks today, which the Yugoslav side assessed as "professionally frank", both sides expressed their wish to develop all forms of cooperation. The participants agreed that the changes taking place in the two countries should not block specific forms of cooperation.

Maksic and Ganev exchanged views on the forms and pace of regional cooperation in the Balkans and on the issues encountered by Bulgaria and Yugoslavia within the scope of the CSCE. Reference also was mode to further Yugoslavia's inclusion in the newly formed cooperation of Black Sea countries is acquiring institutionalized forms. [sentence as received] In conclusion, some issues involving current bilateral cooperation were discused.

Vuk Draskovic Talks With Ganev

LD2602203892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1710 GMT 26 Feb 92

[Text] Belgrade, 26 Feb (TANJUG)—Stoyan Ganev, Bulgarian minister of foreign affairs, had talks today in Belgrade with Vuk Draskovic, leader of the Serbian Renaissance Movement. Ganev repeated that his country does not have any territorial claims on Serbia and Macedonia. Ganev said that Bulgaria recognizes the

existing Yugoslav borders and added that his government is conducting "a friendly policy in keeping with the interests of the Serbian nation."

Upon Draskovic's observation that Bulgaria should have delayed recognizing the four Yugoslav republics until Serbia did so first, Ganev stressed that Bulgaria has only recognized the right of these nations to self-determination, something which, he said, is also in keeping with the Yugoslav constitution. Ganev stressed that Bulgaria has not established diplomatic relations with these republics and that this will only happen when the Yugoslav crisis is resolved in a peaceful way.

Croatia and Bulgaria can never be neighbors and friends, so the decision on recognition should be adapted to neighboring and friendly relations between Sofia and Belgrade, Draskovic said. Such restraint by Bulgaria would have a powerful impact on the Serbian nation, especially now, when, he said, the whole of Europe has plotted against Serbia. Draskovic accepted Ganev's invitation to visit Bulgaria soon.

Hungarian Ambassador Views Serbian Relations

AU2602110092 Budapest MTI in English 1229 GMT 24 Feb 92

[Text] Belgrade, 24 February (MTI)—"Hungarian-Serbian relations have already past the worst stage. Now we are once again on speaking terms with one another. It would be fortunate if we could reach a stage of intensive cooperation," Istvan Oszi, Hungarian ambassador in Belgrade, told MAGYAR SZO, a Hungarian daily published in Novi Sad.

In the interview entitled "Relations at a Low Key," the ambassador recalled that earlier the embassy, the Hungarian community of Yugoslavia, and Hungary itself had had to face the consequences of a hostile anti-Hungarian campaign day by day. False charges had been raised and there had hardly been any chances to develop relations. In a move to clarify the charges, Hungary invited Yugoslav observers to come and check whether foreigners were being trained in Hungarian camps. "Let them come to the places where they suppose such training camps are operating." To date, there has been no reply to the offer, Oszi said.

The ambassador recalled that Hungarian President Arpad Goncz had sent a letter to Serbian President Slobodan Milosevic on January 17, expressing Hungary's willingness to establish good relations and strengthen cooperation with Serbia, and offering his personal interventon. Up to now, no response has arrived, Oszi said.

The ambassador confirmed that Hungary had no territorial claim whatsoever to Vojvodina. The Hungarian-Yugoslav border always remained open, and Hungary has not taken any measures to restrict border traffic. This approach was considered natural in Yugoslavia even if it was not obvious under such circumstances, Oszi said. He added that Hungary sought to establish contacts, of which unrestricted border traffic is part and parcel.

Concerning refugees, the ambassador said Belgrade should guarantee that they not be exposed to any retaliation. He added that three sides were concerned on this issue: the Hungarian Government, the Serbian Government, and the Office of the UN High Commissioner for Refugees. Oszi expressed the hope that talks on the refugee issue would soon be launched with the Serbian Government. Up to now, the Serbian Government has not shown any readiness to start talks but some diplomatic feelers have been put out.

Envoy Asks Spain for War Reparations Payments

LD2602123892 Belgrade TANJUG in English 1318 GMT 25 Feb 92

[Text] Madrid, February 25 (TANJUG)—Yugoslav Deputy Prime Minister Aleksandar Mitrovic has requested of Spanish Prime Minister Felipe Gonzalezs that Spain lift the blockade on funds earmarked for war reparations to Yugoslavia. What is involved is part of the property of the third German Reich which was allocated to Yugoslavia after World War Two on behalf of war reparations. Yugoslav ambassador to Spain Faik Dizdarevic on Monday handed a personal message for Gonzales in the Spanish Foreign Ministry. The Spanish Government several years ago blocked the payment of the two remaining installments of the war reparations. Agreement on a resumption of the payments was reached last year, but the Spanish Government has not ratified the document yet.

Interrepublic

Karadzic Meets Tudjman Envoy in Austria

LD2602213192 Belgrade TANJUG in English 1841 GMT 26 Feb 92

[Text] Vienna, Feb 26 (TANJUG)—President of the Serbian Democratic Party in the Yugoslav Republic of Bosnia-Hercegovina Radovan Karadzic met secretly in the Austrian town of Graz today with an envoy of Croatian President Franjo Tudjman, whose identity has not been disclosed, TANJUG learns from well-informed sources. The sources say that Karadzic and Tudjman's envoy discussed the future of Bosnia-Hercegovina, where a referendum on independence is to be held next week. The multi-ethnic republic's three constitutive nations—Moslems, Serbs and Croats—hold different stands on independence for the republic. Moslems want an independent Bosnia-Hercegovina, Serbs want it to remain in Yugoslavia, and the Croats want its annexation to Croatia.

The talk was held behind tightly closed doors with the utmost secrecy, so much so that neither the Serbian security service nor the provincial police would confirm that the Graz meeting actually took place. Karadzic and

Tudjman's envoy left for separate destinations immediately after the talks, without meeting reporters or making statements to the press.

Bosnia-Hercegovina

EC Talks on State System Resume in Sarajevo

LD2702095292 Belgrade TANJUG Domestic Service in Serbo-Croatian 0902 GMT 27 Feb 92

[Excerpt] Sarajevo, 27 Feb (TANJUG)—The international conference on Bosnia-Hercegovina, in which the three leading national parties of this republic are participating, was resumed today in the Villa Konak, in Sarejevo. The conference on the future state and legal system of Bosnia-Hercegovina is being presided over, on behalf of the EC, by the Portuguese diplomat, Jose Cutilheiro. Party delegations are led by Alija Izetbegovic, [Party of Democratic Action; Stanka Demokratske Akcije—SDA], Dr. Radovan Karadzic, [Serbian Democratic Party; Srpska Demokratska Stranka—SDS] and Mate Boban [Croatian Democratic Community of Bosnia- Hercegovina; Hrvatska Demokratska Zajednica—HDZ] [passage omitted]

Serbian Stand Deemed 'Constructive,' 'Justified'

AU2602120792 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 25 Feb 92

[Text] At today's session of the Assembly of the Serbian People in Bosnia-Hercegovina, deputies heard a report from the group of negotiators attending the conference on the democratic transformation of Bosnia-Hercegovina on behalf of the Serbian people in Bosnia-Hercegovina. This is said in this evening's statement. The deputies adopted the report by the negotiating group and expect that the conference on Bosnia-Hercegovina will produce results. It was said that the course of the talks have so far shown that the stands of the Serbian people are constructive and justified. This is stated in the announcement that was signed by Momcilo Krajisnik, president of the Assembly of the Serbian People of Bosnia-Hercegovina.

Izetbegovic Clarifies Stand on Lisbon Agreement

AU2602220092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 26 Feb 92

["Excerpt" from interview with Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, by Montenegro Radio correspondent Jadranko Bojic; place and date not given]

[Text] [Bojic] What are your personal expectations from the upcoming referendum, and what, in your opinion, will a positive or a possible negative outcome of the referendum mean in Bosnia?

[Izetbegovic] One thing is certain. Bosnia will not be the same after the referendum. It will either be in a considerably better or a considerably worse situation. Therefore, its position will change.

We expect the referendum to be successful, positive. This will, of course, open the road to a series of recognitions in Europe and other countries and the consolidation of our position in the world as an independent state. In case the referendum fails, the only way out would probably be to call new elections.

[Bojic] Mr. Izetbegovic, what do you expect from the continuation of the conference on Bosnia-Hercegovina after the Lisbon Agreement. In other words, is it possible to carry through an agreement reached by the national parties?

[Izetbegovic] An agreement must be sought here, because we must remove all kinds of obstacles, political and even physical obstacles that exist here. The only way out is to reach an agreement. An agreement can only be reached through a compromise. Compromises are usually painful, because one often has to abandon some very dear ideas or views or visions on how one would organize the republic if one lived in it on his own. However, we are not alone in Bosnia-Hercegovina. There are three nations living here. Sometimes they have very different views on the organization of Bosnia-Hercegovina. A compromise, a compromise formula is the only way out of this kind of situation.

This time an attempt was made to find a compromise by, on the one hand, satisfying the Muslim people, because Bosnia-Hercegovina would be preserved as an integral state, as envisaged by Point 1 of the Lisbon Agreement. Point 2 would satisfy Croats and Serbs, because we would accept the organization of the republic on the basis of nationality. In other words, we would create national regions.

However, this second point is very controversial. When this concept was revealed there was real panic in Bosnia-Hercegovina. There is considerable resistance to it. As you know, the Party of Democratic Action, as one of the participants in the talks reluctantly agreed to this second point. I think that changes will have to be made and that this ethnic criterion in the organization of Bosnia-Hercegovina will have to be expanded with some other criteria, above all, economic, geographical, (?environmental), communicational, and other criteria. We will therefore have to take into account other elements, which again means a certain (?change in the stand). I any case, we should strive as much as possible toward a civil [gradjanski) concept of the state. In our view, this is the only thing that has a future.

Muslims Urged to Participate in Referendum

LD2702103692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1212 GMT 26 Feb 92

[Text] Sarajevo, 26 Feb (TANJUG)—The office of the Reis-ul-Ulema [Rijaset] and the Council of Elders

[Mesihat] of the Islamic community for Bosnia-Hercegovina issued a joint appeal today to all Islamic community members and to all Muslims to take part in the referendum and to vote for a sovereign, independent and indivisible Bosnia-Hercegovina. The appeal states that these are crucial times for the republic and for the peoples living in it, and that to take part in the referendum is not only a civic but a religious duty. By taking part in the referendum and by voting for a sovereign and independent Bosnia-Hercegovina in a civilized and democratic manner, Muslims will express their will and their disagreement with methods of violence and coercion, and will demonstrate their resolve to remain free and dignified in their life together with other peoples in this republic, says, among other things, the appeal signed by the Reis-ul-Ulema of the Islamic community, Hadzi Jakub Effendi Selimoski, and Salih Effendi Colakovic, president of the Council of Elders of the Islamic Community in Bosnia-Hercegovina.

Serbian Leader Lays Claims to Bosnian Territory

AU2702095492 Vienna KURIER in German 27 Feb 92 p 3

[Ingrid Steiner report from Sarajevo: "Serbian Leader Tells KURIER: 'Two-Thirds Belong to Us'"]

[Text] Even before the talks about the internal division of Bosnia-Hercegovina enter the next round today, Serbian leader Radovan Karadzic has staked out his future area of influence: "We are satisfied with one canton," the leader of the Bosnian Serbs tells KURIER—a canton, which, however, comprises almost two-thirds of the entire territory of the republic. Karadzic simply ignores the fact that the region he claims includes districts with Muslim majorities and partly strong Croatian minorities. The dubious arguments of the ex-psychiatrist almost self-evidently lead to the following conclusion: A part of Sarajevo would also belong to the Serbian canton. Karadzic does not leave any doubt: "One-third belongs to us." (The Bosnian capital is inhabited 30 percent by Serbs, 49 percent Muslims, 10 percent Yugoslavs, and 7 percent Croats.) In the future 10 percent of the Bosnian Serbs will live outside their own canton.

However, Karadzic had to make concessions to the EC negotiators by renouncing secession from Bosnia-Hercegovina and joining the Serbian mother country, as he had demanded in the past. "We have accepted the borders of the republic. We will not call ourselves Serbian Republic; the Serbs are only a constituting people of Bosnia."

In Karadzic's view, each of the three nationalities would form its own government; in Sarajevo they will jointly form a (probably only symbolic) cabinet with proportional representation. However, the Muslim Party of Democratic Action (SDA) rejects these "wishes." "We do not know what the cantons are supposed to be like and how they are supposed to function," the party spokesmen stressed. The only thing that is sure is that it is absolutely impossible to divide Bosnia along purely ethnic lines."

Banja Luka Corps Receives UN Liaison Officers

AU2602162692 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 26 Feb 92

[Text] Lieutenant General Vladimir Vukovic, commander of the Banja Luka Corps, received four UN liaison officers and nine EC observers in Banja Luka today. Branislav Bozic has the details:

[Bozic] The entire Banja Luka Corps, all the soldiers, including me, know their tasks. The entire front north of Sava in western Slavonia, which we hold, is organized in such a way that it could even be handed over to UN peacekeeping forces tomorrow. This was stated today by Lt. Gen. Vladimir Vukovic, commander of the Banja Luka Corps, in a conversation with UN liaison officers and EC observers today. General Vukovic proposed that the Croatian side be asked to jointly and precisely establish current positions on the front before the arrival of the UN forces in order to avoid abuses when the peaceke-ping forces arrive. Of course, the entire work would be supervised by the present UN liaison officers and EC observers.

The general also warned that there is a possibility of the Croatian forces carrying out provocations in the days ahead because a referendum is being prepared in Bosnia-Hercegovina, as well as demonstrations in Belgrade for 9 March. Major (Carlos Peres) from Venezuela, head of a group of UN liaison officers, stated on this occasion that he was satisfied with the cooperation by the Command of the Banja Luka Corps and with the state of the peace in western Slavonia.

Military Factory Allowed To Sell Equipment

AU2602134392 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 25 Feb 92

[Text] The Bosnia-Hercegovina Information Ministry announced today that the Bosnian Government has discussed a report by its representatives on the blockade of transporting military equipment and weapons from the Bratstvo factory in Novi Travnik. The statement cites the conclusions of the Bosnia-Hercegovina Government that the agreed quantities of goods from the special-purposes industry for 1991 should be paid for. Moreover, it stresses that the government will make it possible for goods to be paid for with foodstuffs that are in short supply. The statement stresses that the Bratstvo factory should be allowed to independently find and conclude contracts and that the Federal National Defense Secretariat does not have to have a monopoly in the special-purposes industry. The government will help the Bratstvo factory in Novi Travnik when it comes to the payment of personal incomes, the statement from the session of the Bosnia- Hercegovina Government says.

The Bosnia-Hercegovina Government also decided that Vice Premier Muhamed Cengic should hold talks with General Andrija Raseta on the withdrawal of soldiers of the Yugoslav People's Army who have arrived unannounced, since their presence disturbs the population and is not necessary.

Bosnia's Croatian Party of Rights Holds Conference

92BA0499C Zagreb VJESNIK in Serbo-Croatian 5 Feb 92 p 3

[Article by Andrea Latinovic: "Croatian Armed Forces: The Strongest Armed Force in Bosnia-Hercegovina"]

[Text] Representatives of the Croatian Rights Party [HSP] in Bosnia-Hercegovina [B-H] favor a unified and sovereign B-H because they believe it to be the first step toward the "natural and historical borders of Croatia."

"The HOS [Croatian Armed Forces] and the HSP in Bosnia-Hercegovina" is the name of a conference of interest to journalists held on Tuesday at the Starcevic house. Introduced as guests at the conference were Dr. Davor Perinovic, a member of the central committee of the Croatian Rights Party in Sarajevo and head of the HSP support group for B-H, and Mladen Bosnjak, and HSP President Dobroslav Paraga turned the floor entirely over to him.

Conspiratorial Reasons

Perinovic familiarized the journalists present with the work of the HSP in B-H, stating that the "establishment of the first branches began in January 1990." He said that the HSP has branches throughout Hercegovina, and that there were around 50,000 party members or sympathizers in the Upper Drina region alone. There are also many members in eastern B-H, and the party has strong support also in Han-Pijesak, as well as in the center of the so-called Sarajevo Romanija Military District. Petrinovic stressed that the HSP also has many members in Sandzak, but he did not want to release more detailed information on this subject for "conspiratorial reasons."

In connection with the current political situation in the central republic of the former Yugoslavia, Perinovic stated that Bosnia is mountainous country. Many invaders have come to grief over it, and this will be the fate of the Greater Serbian and army occupiers. We are constantly being threatened with war in B-H, but there will be no war there as long as the HOS are there, because they are prepared for war. Bosnians are constantly accused of being passive, but this is not the truth. Help was offered from Bosnia even during the war in Slovenia. Tudjman declined the help, and if we had stopped the aggressors the majority of Croatian lives would have been saved, according to Perinovic.

On the subject of the forthcoming referendum in B-H, Perinovic said that the position of the HSP of Bosnia-Hercegovina is that Bosnia is indivisible. We want no cantonization or partition because even a large number of Serbs in Bosnia support indivisibility. The referendum must be held because it is a referendum on the integrity of B-H. But in six months we want to hold another referendum, one in which the population will make it clear whether or not it wants to join Croatia. The HSP in Bosnia-Hercegovina is a factor in peace, not in war.

Paradzik a Martyr

The actions of the HOS and the HSP in Hercegovina were discussed by Mladen Bosnjak, party coordinator for this area. According to him, the headquarters of the HOS wartime support for Hercegovina is in Ljubuska, and the disposition of forces in Hercegovina is the same as in the memorable year 1941. Speaking of the late HSP President Ante Paradzik, whom he called "the greatest Croatian martyr after Cardinal Stepinac," and the recent arrest of Paraga, Bosnjak stated that it is not known how much longer this behavior will be tolerated in Hercegovina. HSP members in Bosnia-Hercegovina will carry on to the end. In the territory of Hercegovina HOS units are the strongest armed forces. We will not permit partition of B-H. The Croatians in B-H will express themselves in the referendum, and recognition of B-H as a sovereign nation will be regarded by them as the first step toward establishment of the natural and historical borders of Croatia.

A journalist asked about the relations between the HSP and HOS and the authorities in B-H. Bosnjak replied that the relations are good because the Croatian forces are the only regular troops and the strongest ones. Commenting on the resignation of Stjepan Kljuic as president of the Croatian Democratic Association for Bosnia-Hercegovina, Perinovic stated briefly that Kljuic had to resign because of pressure because he wanted a sovereign Bosnia-Hercegovina.

Croatia

Government Discusses Helsinki Watch Report

LD2602174492 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 26 Feb 92

[Text] The Croatian Government denounces any threat to democratic political institutions, violation of the principles implicit in a law governed state, and especially the violation of basic human and citizen rights and freedoms regardless of their national, religious, or any other kind of membership. This is stated in the conclusions on the government session today chaired by Dr. Franjo Greguric. The government discussed a Helsinki Watch report on the situation in Croatia.

Following an extensive discussion in which all ministers in charge of government departments and other cabinet members took part, it was decided that the government should address the domestic and world public with a complete answer recalling the continuity of its work aimed at respecting the rules of war, foiling paramilitary

activity within its own armed forces, protecting people and property in wartime conditions, safeguarding international monitoring of respect for human rights, and calling for international trials of all war criminals on whatever side. The government considered the aforementioned report in this context.

The government conclusions endorse all well-meaning and unbiased efforts, especially by international organizations that monitor the implementation of human and citizen rights and that work to improve conditions throughout the territory of the Republic of Croatia.

Representatives of all international nongovernmental and humanitarian organizations and institutions involved in protecting human rights, and legal experts and scholars are asked to send their observers or come personally to the whole territory of the Croatian Republic to gain immediate knowledge of the state of and compliance with human rights. The government conclusions say that they are also asked to back up the Croatian Government demand for the establishment of an international tribunal for war crimes comitted on Republic of Croatia territory.

The Croatian Governnent soon will publish its views on the Helsinki Watch letter with an analysis of all cases mentioned in it.

Tudjman Orders Reservist Demobilization

LD2602224992 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 26 Feb 92

[Text] Franjo Tudjman, president of the Republic of Croatia, at the proposal of the Croatian Government, ordered the demobilization of 20,000 members of the reserve forces of the Croatian Army. This order comes into effect immediately.

Local 'Cheap' Submachine Gun Produced

AU2702091392 Belgrade VREME in Serbo-Croatian 24 Feb 92 p 19

[Unattributed report: "Submachine Gun"]

[Text] Croatian soldiers have finally been given a Croat-made submachine gun, so their shoulders would no longer have to be burdened by all those clumsy guns provided by the occupying Yugoslav Army or produced in Hungary, East Germany, or Singapore. An unknown producer—most probably Osijek OLT [Osjecka Ljevaonica Zeljeza i Tvornica Strojeva—Osijek Iron Foundry and Machine Factory]—has recently presented a cheap 9mm x 19 submachine gun, made of a combination of plastic (the butt and the trigger mechanism box) and cold-rolled iron [presovani lim]. This submachine gun was inspired by the British "Sten" submachine gun and various Polish weapons of the same type made in illegal workshops during World War II. The advantages of such a weapon are simple and cheap production and a relatively great firing power considering its size and weight. Its drawbacks are much greater: Its 9mm pistol ammunition is good for short ranges and closed spaces. Its precision is small because it fires from an open bolt, so, anyhow, what is involved is an outdated weapon.

From a tactical point of view, the Croatian submachine gun is unnecessary. The conditions of the war on the territory of Croatia demand a modern automatic rifle of a larger range (such as AK or the 5.56mm NATO) [as published], and the Croatian police hsve a sufficient quantity of modern Heckler und Koch MP5 submachine guns tha are ideal for the specific needs of that service. The rifles of the AK-47 and AK-74 system are so cheap that it does not even pay to repair them. However, they do not bear the Croatian coat of arms and the "made in Croatia" inscription.

Goran Hadzic Elected Serbian Krajina President

AU2602143492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 26 Feb 92

[Text] Goran Hadzic, president of the Government of the Serbian Region of Slavonia, Baranja, and Western Srem, has been elected president of the Republic of Serbian Krajina. This was decided by deputies of the Great People's Assembly of the Republic of Serbian Krajina. Out of 236 deputies, 230 voted in favor of Hadzic's election and six deputies abstained.

Paspalj Opens Serbian Krajina Assembly Session

AU2602151192 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 26 Feb 92

[Text] The Assembly of the Republic of Serbian Krajina is holding a session in Borovo Selo. Mile Paspalj, president of this Assembly, made the introductory speech this morning on the Assembly's tasks and the acceptance of the UN peacekeeping forces. Here is Srdjan Savic with a report from Borovo Selo:

[Begin Savic recording] The session of the Assembly of the Republic of Serbian Krajina began with the old Serbian anthem: God of Justice. Then Chairman Ilija Koncarevic, president of the Assembly of the Serbian Region of Slavonia, Baranja, and Western Srem, called on those present to pay their respects to the victims of the war with a minute of silence.

Koncarevic greeted the deputies from the three Serbian regions [the Republic of Serbian Krajina, the Autonomous Region of Western Slavonia, and the Serbian Region of Slavonia, Baranja, and Western Srem]. Out of 275 deputies, there are 235 deputies and guests in attendance. The guests include Jugoslav Kostic, member of the SFRY Presidency; Lukijan, bishop of Osijek, Polje, and Baranja; Aleksandar Simovic, representative of the SFRY Assembly; Budimir Kosutic [former deputy prime minister of the Republic of Serbia]; Milan Martic, secretary of the Krajina Secretariat for Internal Affairs; representatives of the Republic of Serbia and from the

Association of Serbs from Croatia, Kosovo, and Metohija; and representatives of the Yugoslav People's Army, and others.

Mile Paspalj, president of the Krajina Assembly, stressed at the beginning of the session that the most important task of the deputies of the Assembly of the Republic of Serbian Krajina is to determine the duties of all republican organs and institutions in order to carry out the UN peace plan in Yugoslavia. The Assembly welcomes the members of the peacekeeping forces and offers guarantees for the total success of the mission, Paspalj said.

Among other things, he also spoke about internal conflicts in the Krajina and concluded that today an end must be put to the rifts in the leadership.

Mile Paspalj cited concrete examples of genocide of the Serbian people by the Croatian regime and material destruction on the territory of the Serbian Krajina. We are defending all our territories with peace, above all, but with weapons too, if need be. With these words, Mile Paspalj, president of the Assembly of the Serbian Autonomous Region of Krajina [title as heard], ended his speech to the deputies of the Great People's Assembly.

Then the second point on the agenda started, on the responsibilities of the Assembly of the Republic of Serbian Krajina in accepting the peacekeeping forces, which will be discussed by the deputies after the recess. This afternoon's proceedings will be continued with the adoption of a decision on the work of the Assembly, the adoption of amendments to the republican Constitution, and the adoption of the constitutional law of the Republic of Serbian Krajina. The agenda also contains the election of the president of the republic, the prime minister, and government members, but it is uncertain whether this will be decided today.

It is planned that the session of the Great People's Assembly will be resumed tomorrow. [end recording]

Montenegro

BORBA Predicts Positive Outcome to Referendum

92BA0517C Belgrade BORBA in Serbo-Croatian 10 Feb 92 p 7

[Article by D. Vukovic: "The Mathematics of the Joint State"]

[Text] The upcoming referendum in Montenegro is not leaving anyone indifferent in this republic, nor indeed in Serbia, in the JNA [Yugoslav People's Army], nor in the immediate and more distant neighborhood. At the outset, two possible outcomes have equal theoretical chances. If the referendum question stands as it has now been proposed, by answering NO citizens can vote for sovereignty and independence, just as with a YES they can accept the alternative of living in a joint state with others, except that for the present those others are represented only by Serbia.

If the desirability of one or the other version is neglected, and the possible outcome is envisaged on the basis of certain known and relevant facts, the outcome of the referendum might already be suggested. The results of the first multiparty elections in Montenegro, unless the dynamic development of social and political processes has quite seriously cast doubt on that arithmetic, suggest that the incumbent party is right when it believes in a favorable outcome of the referendum. The past, then, argues against the sovereignty of Montenegro.

Assuming that the same number of citizens vote in the referendum (the electorate has grown in the meantime) and that there have been no very significant shifts in the electorate, the outcome of the referendum will be favorable from the standpoint of the incumbent party. (Under the Law on the Referendum, the decision is made by a majority of those who voted, provided that more than half of the total number of citizens entitled to vote actually vote in the referendum.)

However, it can be said with quite a bit of confidence that in the electorate which in December 1990 stood behind the incumbent party there are those who do not agree with it when it comes to the future of Montenegro. Within the Democratic Party of Socialists itself, they admit that they are not immune to divisions between the Whites and the Greens, and that can also be applied to those who voted for them previously. The guess is that all of 30 percent of those who previously voted for the present government are Greens, advocates of a sovereign Montenegro. If that is accurate, combined with the realistic assumption that those who voted for the "reformers" and the Democratic Coalition are a constant, this still is no guarantee that a majority could react to the referendum question with a NO. After all, the percentage that is lost is made up of supporters of the People's Party of Montenegro and certain other smaller parties which are against the idea of a sovereign and independent Montenegro.

The ethnic structure of the population in Montenegro cannot be a reliable basis for forecasting the outcome of the referendum. One can assume with reservations that all the Muslims (14.62 percent of the population) and Albanians (6.64 percent) will prefer a sovereign and independent Montenegro, but even with reservations we cannot assume that they will be followed by all those who declared themselves in the last census to be Montenegrins (61.84 percent of the population). This most numerous group in the population is also the largest unknown, and the first multiparty elections were the only indicator of its disposition that offers any reliability.

Theoretically, of course, it is possible to simulate a situation in which advocates of Montenegro's sovereignty and independence would win out. That could happen if a significant number of their political opponents decided not to vote in the referendum. It is difficult to believe, however, that something like that

could occur. It is also theoretically possible that advocates of Montenegrin sovereignty and independence might abstain, dissatisfied with the preparation of the referendum and with the referendum question, and thus attempt to frustrate the majority needed for the referendum.

President Bulatovic on Referendum, Opposition

Belgrade BORBA in Serbo-Croatian
10 Feb 92 p 14

[Article including interview with Montenegrin President Momir Bulatovic by Milan Becejic and Slavko Vukasinovic; place and date not given: "Momir Bulatovic, President of Presidency of Montenegro, on Referendum, Montenegrin Opposition, 'Ecological State,' Dubrovnik.... 'Watch Out for Bulatovic's Beams!'"—first paragraph is BORBA introduction]

[Text] "When I first heard from a friend that I had accepted $2.5 billion, I asked him whether it was for me personally or for Montenegro. 'We know,' he told me, 'that you are a relatively honest man and that it is not for you, but rather for Montenegro.' 'If anyone offered me that kind of money,' I responded, 'I would take it.'"

The role of Mr. Momir Bulatovic and of the Montenegrin leadership (who today are ever more infrequently referred to as "young") at this moment is the most important one on the Yugoslav scene. In their hands—or rather in the results of the voting in the upcoming referendum by the citizens of Montenegro—lies the key to the Yugoslav lock. In recent months, that lock has largely and decisively been unlocked from the outside, so that the expression of popular will by the citizens of Montenegro will constitute the most important unlocking from the inside thus far. In the opinion of the president of the Montenegrin Presidency, to what extent does this knowledge constitute an obstruction to a realistic and rational political strategy?

[Bulatovic] In any case, the concurrence of present-day circumstances is contributing to a situation where the responsibility for the decision that must be made right now in Montenegro is incomparably greater. But I would remind you that in the past there have been many times when we have been in the position of evaluating the individual significance, contribution, and role of a particular Yugoslav republic, so that it turns out that different political options in individual republics have had a different specific weight for a long time now.

I say this only in an attempt to convince both myself and others that the current balance of political forces in Montenegro does not make Montenegro any more important than it actually is, both under present-day and under previous circumstances.

Specifically, we feel a terrible burden from the responsibility and the decision that must be made in Montenegro, regardless of whether under the momentary, present-day circumstances the voice and decision of Montenegro can, as you yourself say, represent some sort of key from within and an attempt to resolve the Yugoslav problem.

In the numerous diplomatic meetings and contacts that we have had from Montenegro, we have been assured that the voice of Montenegro is critical right now. But nevertheless, the thing that has been more or less clearly implied from the context is that this critical role essentially boils down to the removal of one of the main pillars of support for Serbian policy. And this means that Montenegro gains significance insofar as it becomes estranged from the Republic of Serbia and more or less renders that policy senseless, and thus unsuccessful as well. In any event, regardless of how attractive that policy may have seemed, it essentially offers Montenegro a bogus sense of splendor, because it gives Montenegro something that does not actually belong to it. In order for Montenegro to be what it is, it must remain faithful to itself, to its values, and to its way of contemplating reality. In this sense, it is very agreeable to renounce excess rights in order to preserve the genuine set of rights that belongs to us.

[BORBA] The war has apparently proven to be futile. Thus, we are once again—at least from this viewpoint—faced with the dilemma of a federation or confederation. Given this dilemma, how does one distinguish the sentimental from the rational, and this without offending the national?

[Bulatovic] Well, only the time ahead of us will probably be able to tell us whether the war has proven to be futile. But the new quality that has obviously emerged now, compared to the situation before the war, is that many heads have cooled off, some unfortunately both permanently and for good. In any event, if I know anything about the radical human conflict that we call war, it is that it is in fact a means for changing politics. One clearly should not hide the fact that numerous political options have changed by clashing with the radical consequences of confronting opposing options through war. This is a condition for some sort of new quality; this is a condition for peace.

The second part of your question is more than complex. But what our political experience has to say to the current Montenegrin leadership is that our citizens react with a terribly great time lag to changed and applied circumstances. In some cases, we have even succeeded in determining precisely that, with regard to individual issues, this period was six months several years ago. In any case, emotions are an integral part of our lives, and at the same time they must also be a reflection of politics. But on the other hand, if we base our national being solely on emotions, then that being must experience its own tragic destiny, a destiny that we—I am deeply convinced and, quite frankly, I hope—have already lived through once again in this region.

"Middle Course" to Victory

[BORBA] Your policy, and I am thinking of the policy of the Montenegrin leadership, which many people see as some sort of "middle course," does not countenance extremes, or rather, does not leave any room for extremes. What course is pitted against you as an alternative?

[Bulatovic] Well, if one pursues, conditionally speaking, a policy of a middle course in Montenegro, then this can be manifested, first of all, in certain overall, national, and state-building aspects. In relation to this unfortunately neglected, but real and concrete segment of the necessity for radical change in the economic reality, it seems to me that our government is characterized by a well thought-out but uncompromising course.

Allow me, very briefly, to discuss this neglected segment. There are very few people who know and conclude that, say, in the structure of social production in Montenegro, the private sector in a relatively short period of time has proven to be the sector with the greatest level of participation in relation to the other republics. And that on the other hand, changes in the entire societal structure and superstructure have begun—to be sure, sluggishly and with great effort, but decisively and rationally as well. In addition, we have attempted to effect changes in our past practices. As you know, under the previous system, Montenegrins always excelled in things that were of more than questionable value. Now, we are trying to keep pace with events so that we can judge and assess the areas where our predecessors made mistakes. Among other things, Montenegro was the last of the Yugoslav republics to adopt the Law on the Transformation of Social Capital and Social Enterprises, but it seems to me—and this is not only my appraisal, but also that of the expert public—that this is a very solid job, and in relation to other republican projects, the most ambitious and best one as well.

But the middle course is manifested in the fact that there are already two completely radicalized and high-profile extremes on the political scene with regard to the national and state-building program of Montenegro. One of these would consist of the fact that Montenegro not only can be a sovereign, autonomous, and independent state, but has also always needed to be just that. Meanwhile, the other extreme says that Montenegro is some sort of Serbian state, at the same time denying the right of citizens of Montenegro, who feel that they are Montenegrins in the sense of "national affinity," to be what they are, and interpreting this as the mistakes of the previous communist system. In essence, this middle course is also the most normal course, because the Montenegrin national being as we experience it has always been torn between this Serbian ethnic origin and the feeling not only of affinity, but also, it seems to me, of a privileged position within all of Serbdom. But on the other hand, in an exceptional and historically founded sense of pride, one of the essential characteristics of national affinity in this region. Perhaps those who challenge the Montenegrin nation, who challenge the feeling of Montenegrin national affinity, are not adequately aware of the elements and arguments that they are using in proving their theory. All the more so since in a recent survey 62 percent of the population declared themselves to be members of the Montenegrin nation.

In essence, this duality of the national being has, it seems to me, defined the basic course of a rational, composed policy that does not want to isolate Montenegro from broader integrationist processes, because both Serbian and Yugoslav identity have been a basic part of our experience here for centuries. But at the same time, it is a policy that does not permit the extinction of the specific, primordial, and both historically and currently worthy aspects of this nation and of this region. Perhaps this rationality and normality shared by wise people, but also by ordinary children, in this region is what allowed this current government to receive such convincing support from the citizens in the recent elections.

[BORBA] You still face a few days of debate on the referendum, during which the main task is to cool down partisan passions. Do you anticipate any sort of external event or events that could help you in this in a certain manner?

[Bulatovic] Well, unfortunately, everything that has happened—if we understand the "external world" as meaning both the Yugoslav republics and the international community—broke us of the habit some time ago of expecting any sort of positive influences. I am afraid only that something radically worse will happen in the meantime, which would render our declaration of purpose superfluous.

On the other hand, a question arises—and it is probably the most topical one—that is also continuously taking shape in our partisan showdowns. And that question is—why even have a referendum, and was it necessary to take that step?

You know, Montenegrins and the citizens of Montenegro are a very impetuous people. We have neither parliamentary experience nor a democratic tradition. But we do have a conscience that allows us to avoid the greater evil.

We wanted to make the decision that must be reached at this point such that it carries with it the least risk, meaning that we are trying to discover the democratic mechanism that will be able to moderate the existing extremes. The extremes that exist right now must be soberly and rationally analyzed. In this sense, there is the period of one month of public debate, during which we hope that arguments will find a public forum. Not in the sense of eternal betrayal of or affinity with Serbdom, not in the sense of traditional, historical values, and not in the sense of a particular statement that we expressed recently, that being that history is great and indestructible, but that it is constructed by small and transient people like us, people who simply must make mistakes.

We know that historically valid steps, those concerning the preservation or destruction of a community of states, cannot be taken solely on the basis of calculations and data. It is unpalatable to do calculations about a state to the third or fourth decimal. But given the fact that we face the possibility of a mistake, it is irrational not to calculate what will be gained or lost through individual solutions. We believe that political activity in the period ahead should make arguments available to our citizens that speak for and against a common state and that attempt to decipher things that are commonplace in political jargon. Because in real terms, even after heads have cooled off and passions have abated, the difference between one concrete model and another will be seen.

[BORBA] Although there have been all sorts of referendums and plebiscites, people are still not able to distinguish between these two types of expression of the popular will.

In a protest by Montenegrins outside Montenegro, some people in a referendum solution see themselves as a national minority in Serbia. Is this not a disruptive factor that in an extreme case could end in national disunity?

[Bulatovic] Well, we were not at all surprised by the terribly strong, but above all emotional reaction of Montenegrins who live outside Montenegro and who want to take advantage of their civil and constitutional right to contribute to such an important decision.

However, when we have come face to face with these people and had the opportunity to speak with them—and there will be other such opportunities in the days ahead—we have been able to show them and prove to them that in this case what is at stake is the need to take a political step with the least possible damage, in the interest of the regularity of the referendum. In other words, this means the following. We must deal with the fact that Montenegro lacks established citizenship files. Quite simply, we do not know how many citizens have left Montenegro while retaining Montenegrin citizenship under applicable laws, which would give them the right to express their opinion in this referendum.

In this situation, any referendum result could be automatically drawn into question. Because you do not know in what ratio those who have left would express themselves in the referendum. On the other hand, one must keep in mind that for some time now Montenegro has been a high-emigration area, that an enormous number of people have left not only for Belgrade, but also for Sarajevo, the United States, Germany, and Turkey, and that the number of these people, according to current estimates, comes to as much as several hundreds of thousands of citizens of Montenegro. In any event, it would prolong the process of the expression of popular will through the referendum if we were to opt for that variant.

But there is another, in our opinion unusually significant, reason—in order for any citizen to factually and genuinely take advantage of his right to vote, he must be in possession of the available information. He must hear the arguments both for and against by both sides. In that regard, we here feel that it is our obligation to make all arguments for and all arguments against accessible via the public media. In this way, we can proceed from the assumption that our citizens will be able to approach the election with relatively greater objectivity.

Why would, say, some citizen of Montenegro, an Albanian, who emigrated to America 20 or 30 years ago, be denied the right to vote in this referendum? But how and what kind of realistic assumption is it that he is even in possession of the information that would allow him to decide in a such way that he is actually taking advantage of his civil rights in the democratic sense?

Montenegro Will Not Be Like Nis Region

[BORBA] Several days ago, several thousand citizens in Cetinje proclaimed a sovereign Montenegro, whereby one of the slogans was "We will not give you up, Montenegro." Was this slogan not seemingly directed at you as well?

[Bulatovic] This has already become the political manner of those parties. Even in the election campaign, there were many fiery and passionate speeches in favor of defending Montenegro. In fact, when we have had opportunities for interpartisan dialogue and when such constructions have appeared, we too have wondered with curiosity from whom Montenegro must be defended, in order that we too might make a contribution. Because it is neither the function nor the goal of the ruling party to auction off Montenegro, to sell it out, and to destroy it.

It is precisely in this sense that I expected that an attempt might be made at that gathering to assess what the terms are that Montenegro offers and that it is willing to accept in order to enter into some sort of common state. Because Montenegro really cannot be left up to the arbitrary will of any wielder of power or any ruling team in order for it to drown in some sort of community of states in which there would, perhaps in the beginning, exist some illusion of equality, but which would not be protected and whose rights would not be guaranteed in relation to a change in the political will of, say, a Republic of Serbia. Because, and we have issued public warnings about this, the political forces that would like to reduce Montenegro to the character of a Nis or Kraljevica region, from the standpoint of the number of inhabitants and the material possibilities of this republic—these forces are not small and insignificant. But Montenegro in any event represents much more, and if there are in fact certain elements of a threat to Montenegro either in the proposal of the ruling team or from Montenegro's neighbors, then it would be much more meaningful to point out these political forces and these political actions in order that the citizens of Montenegro can condemn them unambiguously and jointly. Thus, this once again resembles that Bolshevist fear-mongering

with some foreign enemy that demands internal unity according to some predefined formula.

[BORBA] In the Assembly, at the session where a decision was made on the referendum, you were asked a direct question: Who all has "exerted pressure" on you? Mention was made of the Army, the leadership of a certain other republic....

[Bulatovic] Frankly speaking, and as a rule, the greatest pressure that I personally have experienced has been at sessions of the Assembly of the Republic of Montenegro, because a number of delegates—and unfortunately it is not a small number—has absolutely no need to attempt to protect other people from their words. So much so that judging from the seven or 10 hours spent in a session of that esteemed House, one actually feels like asking oneself, intimately, whether all of this is worth it, and whether it is even possible to establish some sort of lower threshold of sensitivity and resistance to attacks that are not at all based on a single argument. The part of your question that is an indisputable fact is that there is an illusion that this policy and orientation of Montenegro has for some time been formulated under the influence of some external center of power. I think that no realistic policy can ignore objective and real centers of power. But such a policy would very quickly lose all elements of its internal consistency and internal reason if it allowed itself to blindly and exclusively comply with what is dictated from the outside. In other words, for the various political moves that we have made over the past few months in Montenegro, we have been proclaimed—often at the same time—the greatest traitors to Serbdom, the greatest protectors of Serbdom, and the destroyers of Montenegro. I have availed myself of this opportunity and on several occasions before the Montenegrin Assembly I have asked that an attempt be made to interpret reality in this genuine and much more complex manner. It would really be too simplistic to assume that anyone has the right to come to Montenegro, or to beat up a representative of Montenegro and tell him what arguments and political moves must be carried out. But all of my experience, including diplomatic experience in both the international and the interrepublican sense, shows that this has not been the manner of a single one of the political figures with whom I have had the opportunity to meet, and that essentially our policy is actually based on an assessment of real forces and on a certain prognosis of the trends that will remain more or less dominant in the time in which we live.

[BORBA] Among other things, you have been accused—if this is an accusation—of accepting $2.5 billion, whereby this is seen as "the price of Montenegrin honor."

[Bulatovic] When I first heard about that, and I heard about it from a friend of mine, I asked him if the acceptance of such a large quantity of money related to me personally or to Montenegro. "We know," he told me, "that you are a relatively honest man and that it is not for you, but rather for Montenegro." "If anyone offered me that kind of money," I responded, "I would take it." Because the story allegedly began circulating that the money was offered for what I said out of my deepest-felt convictions and as the product of a collective analysis and conclusion by the Montenegrin Assembly.

But on the other hand, it turns out—and this seems to me to be absolutely clear in these situations—that such a large amount of money for an action as disgraceful as betrayal is long a thing of the past. And I know that because of objective reactions, because of the major emotional charge that accompanied the participation of the Montenegrin delegation in the meeting in The Hague, I literally asked the Italian partners who came here not to unblock a loan to us that was more than symbolic, totaling $4 million, in order that it not appear that that is the price of our loyalty and sincere devotion to the negotiating process under the patronage of the European Community. In any event, the moral at which I arrived is quite clear: If someone is offered money in order to achieve certain mystical goals, then it can mostly be measured in tens of thousands rather than billions of dollars.

"Watch Out for Bulatovic's Beams!"

[BORBA] One newspaper headline reads literally, "Watch Out for Bulatovic's Beams!" It appears that only sawdust is left from these previous beams. Still, to what extent is this threat persuasive and convincing enough to become a reality?

[Bulatovic] I think that the person who expressed that threat, or rather the people who formulated it, sincerely believed at the time that this is a way and means for achieving his or their political visions. But on the other hand, in the Assembly itself it was pointed out to me that one cannot simultaneously appeal to the St. Sava course, to the course of Patriarch Pavle and the Montenegrin metropolitan, while threatening to block roads with beams and break the heads of people who think differently, even if of the same religion.

[BORBA] At the rally in Cetinje, something else was heard that was sort of like a farewell to Dubrovnik, and in fact was stated like this: "Forgive us, Dubrovnik!" Dubrovnik could be some sort of anathema and wrap itself around you in the Montenegrin leadership. To what extent does this entire matter merit some sort of farewell?

[Bulatovic] First about Dubrovnik, and then about the "song."

I have had opportunities to feel the entire weight of events surrounding Dubrovnik every time that I have crossed the borders of Yugoslavia. During my December visit to the United States, in the numerous contacts that I had, it was not possible for a single meeting and discussion to take place with anyone without their mentioning Dubrovnik and expressing their sincere astonishment. What is beyond doubt is the following: Official

Montenegrin policy and government figures have never expressed any territorial pretensions towards Dubrovnik, nor do they feel that Dubrovnik should belong to Montenegro nor to any other Yugoslav republic.

On the other hand, everything that has happened concerning Dubrovnik, directly in its encirclement in these combat operations that have nevertheless resulted in specific damage to the old city, has been highly detrimental to Montenegro. If a rational policy is being pursued in Montenegro, then that policy certainly would not have done anything to lead it to the pillory of worldwide disgrace. And as soon as we succeeded in showing and proving that it is not Montenegro's intention to conquer and attack Dubrovnik, but rather to simply encourage and stir up those defensive activities that could drive the Croatian armed forces away from the border of Montenegro and from Prevlaka—at that moment, I think we also gained or rather reestablished the undermined confidence of the European Community, and I think that of the broader international public as well.

In any event, what we have here is a mixed bag of circumstances which I believe will never be disclosed, and this will then be a basic precondition for actually applying the necessary patina to this entire problem and restoring the understanding of the people from this area. But the continuation of that song that they sang in Cetinje was not adequately recorded. The continuation of the song goes like this: "They were all Chetniks, Momir's mercenaries." Thus, besides a farewell to Dubrovnik, it was also actually said who these people were and why and for what motives they came.

I must remark that those people whom I pay from my own personal income, because that is my only source of revenue, are not exactly making out that great. But I clearly cannot understand how there exist political parties that are so blinded by the achievement of military policy goals that they do not know how to carry out elementary calculations. And the calculation is like this. In this part of the theater of operations, the appeal by the Yugoslav People's Army [JNA] was responded to by so many citizens of Montenegro that, together with the members of the their immediate families, they easily account for more than half of the electorate of Montenegro. So just imagine: Since this is the case, where is the political wisdom in accusing almost half of the people of being traitors, enemies, and of setting out to destroy someone else. This fact should be reflected on by the opposition, for whom I otherwise wish no political success, but it should also be reflected on by the JNA, which at this time has not found it appropriate to react to this fact, while it has managed to react to much more irrelevant and less important pretexts. Perhaps some will say that this song is not dangerous, but this song was actually sent out from Cetinje to Dubrovnik, and from there to the entire broader public. It offends a number of feelings, and ultimately us as well, who have been and have remained citizens of Montenegro who do not want to conquer any other territory, and least of all to destroy Dubrovnik.

[BORBA] In these international contacts, what sort of reaction has there been to the idea of an "ecological state"? Have you sensed and registered any feedback that would indicate what track you are on with this idea?

[Bulatovic] Naturally, we have not elevated this idea to the level of high-level diplomatic and state activities because that is not its purpose and content. But whenever we have had the opportunity to discuss matters on the level of professional teams, experts, institutes, ministries for ecology, or university professors, we have always begun the meeting with a gruesome sense of dourness and a cold sneer. You know, you come from a country in which civil war is raging, and now you are selling the foggy notion of an ecological state. But all these people have patiently listened for an hour or two to what we call our realistic program, and to the number of activities behind it. We have even encountered excessively well-intentioned advice at the level of support that we have received. Even, say, some important institutes in Germany who carry out major research and ecological projects for the European Community have whispered to us in confidence that we should not accept certain things that they propose for us, because they have to propose them to us in that way, and that would ruin and destroy our idea. In any event, we are talking here about a project that is grandiose and that cannot be realized under the current political conditions in Yugoslavia, and thus not in Montenegro either.

[BORBA] There are charges that the ecological state, in a small area, with a small population, does not fit in with two army districts.

[Bulatovic] It was we who had the Council for National Defense, where we agreed that the overall problem of the national defense system must be considered with much more decisiveness, together with these utterly concrete questions. In any case, this is something that we face in the future, and the idea of an ecological state is much more valuable than the momentary reaction to the stormy processes and changes in Yugoslavia that have caused—fortunately for Montenegro and for the people who have come here—a large number of people here to nevertheless feel a sense of security, peace, and human dignity. In this sense, it must be seen quite openly that there can be neither permanent nor long-term solutions here.

[Box, p 14]

"We Do Not Know Why We Won"

[BORBA] Did you really win the elections, to quote, "thanks to the policy of defending the Serbian nation"? (the words of Dr. Branko Kostic, ed.)

[Bulatovic] To be honest, we still do not know why we won the elections. Our attempts at some sort of analysis,

based on a methodology that we either formulated ourselves or learned from certain foreign institutes, have yet to be completed.

In fact, we realized that in the first round, in the first elections, it was a hopeless task to determine and precisely measure the factors contributing to the victory of any political party.

Simply put, we entered into these elections, it seems to me quite clearly, with a broad program strategy, with a rather good selection of people who had to win the confidence of the people, and with a very strong and convincing political marketing approach. But it is clear that this cannot be reduced exclusively to one single factor, even in some sort of subsequent commentary. Let me tell you something else that is curious. Many times I have heard other explanations as well, so that I have been told, among other things, that the League of Communists of Montenegro won the elections because it was supported by the League of Communists-Movement for Yugoslavia. Even though at that time, as now, the political strength of that party was small. For example, that political party had 13 members in Niksic, while we received nearly 90 percent of the votes in the elections.

[Box, p 14]

Serbia as Center of Power

[BORBA] Has a hand been offered to Montenegro from some center of power, such as Belgrade, as is commonly thought?

[Bulatovic] When you talk about a center of power, you should not be static and interpret this as meaning that there is an individual who sits in his office and is able to take this step or that step. Centers of power, objectively speaking, are based on various sources of economic interests, partnerships, cooperation, and finally, on the very strong domination of the media from the Republic of Serbia. Thus, these centers of power that, I repeat, are not personified in one person, but rather in one larger, economically stronger, and more populous republic, must also be seen as one of the realistic factors of political performance. You know, if, say, POLITIKA writes that Momir Bulatovic is a traitor and says that someone else said that, then you cannot deny this in POBJEDA because the media's representation of this truth, or "truth," is completely different. That is real political power.

Serbia

Milosevic Comments on Talks With Carrington

AU2602204992 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 26 Feb 92

[News conference by Slobodan Milosevic, president of the Republic of Serbia, with unidentified journalists in Belgrade on 26 February—recorded]

[Text] [Journalist] Mr. President, how do you assess the talks with Lord Carrington? What was the purpose of this unexpected visit?

[Milosevic] The visit was not unexpected. We agreed to meet around 10 days ago. The purpose of the meeting was to talk about the continuation of the conference on Yugoslavia. The conference on Yugoslavia is now being held under obviously much more favorable circumstances than before, because, bearing in mind the UN Security Council's decision, conditions have been secured for the Yugoslav crisis to be resolved in a peaceful way and through negotiations.

It is obvious, and I can say that this is an encouraging step forward, that the idea on the continuity of Yugoslavia is receiving increasing support, and that there is no doubt that the continuity of Yugoslavia can be preserved. This was, after all, the idea that we promoted from the very beginning.

[Journalist] Mr. President, can the conference on Yugoslavia continue before the EC lifts the sanctions against Serbia?

[Milosevic] I can tell you that we expect, and we could see it from our meeting today, sanctions as a measure not to last long. You know our stand. We believe that the participants in the conference should be equal. This means that no participant in the conference should be under any kind of sanctions.

Under the present circumstances, we do not see any reason for the sanctions to be extended, and we believe that the EC will lift the sanctions very soon.

[Journalist] Well-informed sources in Brussels claim that Lord Carrington came with the demand, in other words, came to seek additional guarantees from Serbia if the sanctions are to be lifted. Do you know what these demands are?

[Milosevic] There are no special, additional guarantees. We simply have extended our discussion on the content of the general arrangement regarding the settlement of the Yugoslav crisis. You very well know that from the very beginning our approach was to secure an equal treatment of the partners in the conference and choices [izbor] that the conference is supposed to make. This means that we strove, as you know, for the equal treatment of the right to self-determination of those who want to leave Yugoslavia and set up their own national states with the right to self-determination of those who want to preserve Yugoslavia as their existing state. We hope that the actual situation has shown now that reasons for such an equal treatment of these options exist.

Having a realistic approach toward the Yugoslav crisis, we hope that the conference on Yugoslavia will simply respect the actual situation.

[Journalist] When do you expect the conference to resume?

[Milosevic] This is not a secret. Lord Carrington told me that he is planning to convene the conference in, I believe, the second week of March.

[Journalist] Can one expect EC ministers to lift the sanctions on 3 March? What is your impression after today's talks?

[Milosevic] I hope that the sanctions will be lifted very soon. However, I would be assuming too much if I said that this would be on 3 March or after. There is no doubt, however, that there are no reasons for such sanctions to continue, just as there were no reasons to introduce them against Serbia.

[Journalist] Is this also Lord Carrington's view?

[Milosevic] Well, you must ask Lord Carrington what his view is.

[Journalist] Thank you.

[Indistinct question]

[Milosevic] We always have been in favor of any dialogue that concerns our interests. Therefore, we do not have any reason to avoid dialogue, because we believe that arguments are on the side of justice and truth. What we have been seeking is neither lies nor injustice, and we hope that this will see the light of day.

Thank you very much.

Socialist Party Favors New Yugoslavia

AU2602132892 Vienna DIE PRESSE in German 26 Feb 92 p 4

[Maren Koester-Hetzendorf report: "There Might Be All Kinds of Problems—Why Serbia Wants a New Yugoslavia"]

[Text] Belgrade—The third Yugoslavia will be created by 2 May. Mihailo Markovic, the vice president of the Socialist Party of Serbia [SPS], which rules with an absolute majority in Serbia, is convinced that Montenegro will agree to form a federation with Serbia, as a result of which it will be possible to complete without any problems the process of forming new federal institutions. The philosophy professor Markovic was once one of the strongest critics of Tito's Yugoslavia. Today he one of the closest aides of Serbian President Slobodan Milosevic. He drafted the party program of the Socialists (former communists) in 1990. He is convinced that the Montenegrins will vote for a union with Serbia in Sunday's [1 March] referendum on the future of their republic.

In an interview with DIE PRESSE, Markovic explained why Serbia is interested in maintaining a federation with the name "Yugoslavia." If Serbia wanted to become an independent state, Belgrade would have to apply for international recognition. "We might be facing all kinds of problems," Markovic stressed. "Somebody might ask questions about the Albanians in Kosovo and about the Hungarians in Vojvodina. All kinds of conditions might be set for recognition," he added.

Markovic sees no problems in connection with Slovenia's and even Croatia's recognition by a Serbian-Montenegrin Yugoslavia. However, Yugoslavia would only recognize Croatia "within its ethnic borders, without the disputed territories that are to be protected by the United Nations. However, Markovic doubts that Croatia will be satisfied with such an offer. "Negotiations are needed."

According to the SPS vice president, Serbia favors a referendum "under international control" in areas with a Serbian majority in Croatia. In this way, the future of these areas, where UN troops will be deployed, might be decided within "one or two years." Markovic "hopes" that Croatia will agree to that, because, in this way, "Croatia would get back the villages where the Croats represent a majority."

In Serbia's relationship with Germany and Austria, a relaxation is visible. Relations hit an all-time low during the war, but now the climate has improved.

The official Belgrade is apparently seeking contact with Europe. However, 9 March will be a big test, when the opposition will hold rallies to commemorate the fact that the Serbian leadership used tanks against the opposition one year ago. "The government will not use violence against peaceful demonstrations," Markovic stressed. However, he also warned: "We are prepared to protect significant public buildings, and we will not allow them to be occupied."

MiG, Arms Purchases Begin for Air Force

LD2602132592 Belgrade TANJUG in English 1152 GMT 26 Feb 92

[Text] Belgrade, Feb 26 (TANJUG)—The secessionist Yugoslav Republic of Croatia is stepping up the purchase of arms and creation of its Air Force and Navy, in an effort to fortify itself within its administrative borders, the Belgrade daily POLITIKA EKSPRES says today. Officer of the Croatian Air Force Brigadier Milan Macek has said Croatia will soon get a number of modern jet fighters made in Western countries. Through purchases abroad, Croatia has formed an air defence system with the range of up to 6,000 meters, Macek added.

Pilots, who have left the Yugoslav People's Army to join the Croatian side, are being trained in military bases of former East Germany, POLITIKA EKSPRES claims. They are trained on the Soviet-made MiGs which Germany has won after the unification.

A parachute unit is being trained in Hungary, to be engaged in assaults on the territory of the Republic of Serb Krajina [RSK] and its capital Knin. The RSK has been proclaimed by Serbs in Croatia, who decided to

remain in Yugoslavia and defy the Croatian Government's decision to secede from Yugoslavia. Croatia is ready to sell even its own land, POLITIKA EKSPRES says. Citing reliable sources, the daily claims that the nuclear Westinghouse concern will soon start building a nuclear power plan near the Croatian town of Zadar. Projects are also being made for nuclear depots on the Croatian peninsula Peljesac and near the Croatian town of Cakovac in the Medjumurje region, POLITIKA EKSPRES adds. It says Westinghouse will pay rent to Germany, while Germany will in return give Croatia four MiG-21.

Slovenia

Opposition Opposes Proposed Cabinet Changes

LD2602150592 Belgrade TANJUG in English 1405 GMT 25 Feb 92

[Text] Ljubljana, Feb 25 (TANJUG)—Three opposition parties and one party which is a partner in the ruling coalition in the secessionist Yugoslav Republic of Slovenia oppose the cabinet changes proposed by republican Prime Minister Alojze Peterle. Peterle has requested the replacement of Foreign Minister Dimitrij Rupel, Interior Minister Igor Bavcar, and information minister Jelko Kacin. The three ministers played an important role in Slovenia's independence process. They later, however, came into conflict with Prime Minister Peterle because of taking a different view of Slovenia's future.

At a closed-door meeting last night, the leaders of the four parties took the stand that the three ministers, who do not support the government policy, should themselves resign. Prime Minister Peterle's proposed cabinet reshuffle is opposed by the opposition National Democrats, "Green" Party, and National Party and the coalition Social Democrats, all four of which, nevertheless, lent support to the republican prime minister in a vote of confidence last week.